

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS - REQUEST FOR AUDIENCE WITH CITY COUNCIL BY CHARLES BARTON (Section 551.074)

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072)

The City Council adjourned to executive session at 7:26 p.m. for consultation with the attorney regarding W & W Land Company vs. City of Canton, et al, and to discuss the potential purchase of real property.

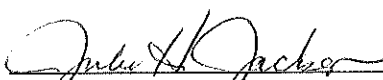
RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council returned to open session at 8:28 p.m. with not action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned at 8:29 p.m. on a motion by Councilman Roberts, second by Councilman Wilson, and all voting in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P.M., TUESDAY, JANUARY 15, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford and Beverly Hutcherson. Councilmember Raymond Pruitt was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard.

INVOCATION was given by Councilmember Tommy Roberts.

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

GUEST ITEMS – None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE DECEMBER 18, 2001 MEETING OF THE CANTON CITY COUNCIL - Councilmember Wilson moved that the minutes of the December 18, 2001 meeting of the Canton City Council be approved as presented. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE DECEMBER 2001 FINANCIAL STATEMENTS - City Manager Johnny Mallory presented the December 2001 Financial Statements which were unanimously approved on a motion by Councilmember Sanford and seconded by Councilmember Wilson.

PRESENTATION TO CANTON CITY COUNCIL BY HELLA TEMPLE - Don Toohey, president of the East Texas Shrine Club, and a representative from Hella Temple presented awards to the City of Canton and the Police Department for their assistance in raising funds for the \$5,000,000 annual budget supporting Shrine Hospitals. Among many other good works, he mentioned that their surgeons and the shrine bank were able to help in New York following the September 11, 2001 tragedy.

PRESENTATION TO CANTON CITY COUNCIL BY CANTON VOLUNTEER FIRE FIGHTERS ASSOCIATION - Craig Brown, past president of the Canton Volunteer Fire Fighters Association presented the City of Canton with the clear title to the 1983 American LeFrance fire truck, paid for by the Association. Fire Chief Brian McNevin reported that the Association voted to purchase a rebuilt 1968 American LeFrance Ladder Truck for \$15,000, which was scheduled to arrive the following Monday. He said American National Bank was providing financing and the association would pay off the loan with fundraising proceeds. This will be the first ladder truck in Van Zandt County.

DISCUSS AND CONSIDER AWARDING BIDS FOR THE SALE OF SURPLUS EQUIPMENT AND VEHICLES - Johnny Mallory reported that the City advertised for sealed bids on the sale of surplus equipment and vehicles. These bids were opened at 10:00 a.m. on Thursday, January 3, 2002, in the City Hall Council Chambers. He presented the Council with the following list of high bidders:

Year	Make	Model	VIN	License	High Bid	Bidder
1977	Ford	Pickup	C91KV030285	549 324	\$ 355.00	Myers Auto Salvage
1972	International	Pickup	146720H238295	656 010	\$ 276.00	Myers Auto Salvage
1982	Dodge	Ram D-50	JB7FP2470CY703158	724 938	\$ 55.00	Myers Auto Salvage
1982	Dodge	Ram D-50	JB7FP2476CY703164	753 124	\$ 100.00	Rodney Moore
1994	Ford	Crown Victoria	2FALP71W6RX179024	656 011	\$ 255.00	Myers Auto Salvage
1994	Ford	Crown Victoria	2FALP71W2RX182471	658 971	\$ 155.00	Myers Auto Salvage
1979	Chevrolet	Suburban	CCL169F163745	519 782	\$ 165.00	Myers Auto Salvage
1979	Ford	Garbage Truck	C80JVDG7789	498 118	\$ 101.00	Steve Pruitt
1987	Ford	Crown Victoria	2FABP72F2HX201612	519 605	\$ 51.00	Steve Pruitt
1989	Dodge	Pickup	JB7FL29E2KP051926	568 356	\$ 185.00	Myers Auto Salvage
1986	Chevrolet	Pickup	1GCEC14H6GS161552	523 916	\$ 326.00	Myers Auto Salvage
1994	Chevrolet	Lumina	2G1W154T5R1110927	XGJ 90G		No bid
1977	Ford	Tractor w/Loader	D5NN70064		\$ 3,250.00	Clarence Burgi
1982	Ford	Pickup	1FTCF10E8CPA68944	417 773	\$ 185.00	Myers Auto Salvag
	G-40	Pull Tug				No bid
1996	Pro Tract	Dual Axle Trailer	1P9DP2520TC298285		\$ 1,500.00	Mack Lewis
	Bandit	Model 250 Brush Chipper	44900372		\$ 4,000.00	Mack Lewis

1959 Ferguson	Packer-Rubber Tire	885-546-699	\$	200.00	Mack Lewis
Lone Star	12' Boat & Trailer		\$	126.00	Rick Malone
	Chipper Box		\$	300.00	Weldon George
Ford	Engine		\$	26.00	Steve Pruitt
Ford	Engine		\$	26.00	Steve Pruitt
Chevrolet	Engine		\$	26.00	Steve Pruitt
	8 ft. Bush Hog 3pt.		\$	286.00	Myers Auto Salvage
	Drag Mower 8 ft.		\$	286.00	Myers Auto Salvage
Yamaha	Golf Cart		\$	175.00	Rudolph Jacobs
Yamaha	Golf Cart	both for	\$	150.00	Clarence Burgi
Honda	HT3813 Riding Mower		\$	200.00	Clarence Burgi
Kubota	B6100E		\$	2,750.00	Clarence Burgi
	w/brush mower, front bucket, finish mower				

Councilmember Wilson moved to sell the surplus equipment and vehicles to the high bidders as presented, and to reject the bids for the pro trac dual axle trailer and the bandit brush chipper which were valued higher than the bids. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER AWARDED BID FOR THE PURCHASE OF TWO PATROL VEHICLES – Johnny Mallory reported that the City received only one sealed bid of record which was opened at 10:00 a.m. on Thursday, January 3, 2002, in the City Hall Council Chambers. Upon Johnny Mallory's recommendation, Councilmember Sanford moved to approve the purchase of two patrol vehicles from Philpott Motor Company at \$19,885.00 each for Option 1. Councilmember Hutcherson seconded, and all voted in favor. Chief Hammonds said they would install overhead lights taken from the vehicles they were replacing. Upon Mayor Hilliard's request, he promised to purchase front push bumpers for all patrol vehicles.

DISCUSS AND CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF 0.230 ACRE TRACT LOCATED ON INTERSTATE 20 OWNED BY BILLY JACK DEAN – Mr. Mallory presented Mr. Deen's petition for annexation of the property abutting Interstate 20. He assumed annexation was sought for the purpose of erecting a billboard. He informed the council that procedure called for them to accept or reject the petition. If they accepted it, two public hearings would be held prior to a council decision on annexation. Councilmember Sanford moved to accept the petition for annexation of a 0.230 acre tract located on Interstate 20 owned by Billy Jack Deen. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER ANNEXATION OF HIGHWAY 243 ROADWAY TO WESTERN BOUNDARY OF THE CANTON INTERMEDIATE SCHOOL PROPERTY, AND THE 0.2296 ACRE TRACT IN THE JESSE STOCKWELL SURVEY A-760 OWNED BY THE CITY OF CANTON – Mr. Mallory explained that due to a missed deadline for posting a public hearing notice, the Council needed to restart annexation procedures for this property. Councilmember Hutcherson made the motion to accept the petition for annexation of the above-mentioned property. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST BY GEORGE TURNER FOR A 2" WATER TAP OUTSIDE CITY LIMITS AT 110 FM 2909, CANTON, TEXAS – Mr. Mallory informed the Council that an eight-inch line was in the area and the staff had no objections to granting this request. Councilmember Wilson moved to approve the request by George Turner for a water tap at 110 FM 2909, Canton, Texas. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST BY PHILIP CASCAVILLA FOR WATER TAP OUTSIDE CITY LIMITS AT NORTH END OF COUNTRY CLUB DRIVE, CANTON, TEXAS – Mr. Mallory said the request was for the property located at the north end of the airstrip and that a two-inch line was there. He said the City would not be able to offer the two-inch tap requested, but there were no objections to a smaller tap. Sewer was also requested by Mr. Cascavilla, but it was not available in that area. Councilmember Sanford moved to approve the water tap for Mr. Cascavilla, Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPOINTMENTS TO THE MAIN STREET BOARD OF DIRECTORS – Mr. Mallory presented Main Street's recommendation to re-appoint board directors Richard Hill, Richard Davis and Harold Holyfield, and to add Kris Ingram as a new director, and Chamber Chairman Ann Thornton as an ex-officio director. After establishing that Main Street directors did not have to reside within the Canton city limits, Councilmember Roberts moved to make the recommended appointments. Councilmember Wilson seconded, and all voted in favor.

UPDATE ON STATUS OF TEXAS DEPARTMENT OF TRANSPORTATION SIDEWALK ENHANCEMENT GRANT – Mr. Mallory informed the Council that a decision was expected by the end of January.

DISCUSS AND CONSIDER RESOLUTION REQUESTING PARK PLANNING ASSISTANCE FROM THE TEXAS PARKS AND WILDLIFE DEPARTMENT – Mayor Hilliard said a master plan was required before applying for a grant to fund a public swimming pool. Johnny Mallory explained that the proposed resolution asks Texas Parks and Wildlife Department to survey the park and make recommendations in the form of a master plan for a public swimming pool. He said it would probably be next year before any results were received and it did not obligate the City in any way. Mayor Hilliard suggested the City also contact someone who worked on the YMCA project in Canton to see if we might work together. Mr. Mallory said former Mayor Hackney was on that committee, but they were unable to generate much support. Councilmember Wilson moved to approve the resolution requesting park planning assistance from the Texas Parks and Wildlife Department. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER TRADE CENTER III EXPANSION PROPOSALS – Al Campbell presented an estimate from Wisenbaker & Fix for \$108,000 to extend Trade Center III one hundred fifty (150) linear feet to the south. He said they indicated that the same per linear foot cost would apply for extending the building further. If it were extended an additional one hundred seventy (170) linear feet, the cost of the project would be approximately \$240,000 to \$250,000. Mr. Campbell suggested this cost might go down if the City wanted to extend Trade Center III in conjunction with building another pavilion. Councilmember Sanford said he would rather put the project on hold, or just extend the project to the road. Mayor Hilliard tabled the matter but asked Al Campbell to keep the project on the top of his desk.

DISCUSS AND CONSIDER MODIFICATIONS TO THE EMPLOYEE POLICY MANUAL –
DISCUSS AND CONSIDER NEW SALARY CHART FOR THE CITY OF CANTON –

DISCUSS AND CONSIDER LONG-RANGE PLAN FOR THE CITY OF CANTON – Councilmember Roberts suggested the Council conduct a workshop to address modifications to the employee policy manual, the salary chart and long-range planning. He also said he would like to see job descriptions rewritten, where necessary. Mayor Hilliard asked Councilmember

Hutcherson to coordinate the recommendations from councilmembers. Councilmember Roberts stressed the need for developing a long-range plan in writing, and for the streets committee to develop a feasible long-range plan for street development.

DISCUSS AND CONSIDER PETITIONING TO INCLUDE THE DALLAS/FORT WORTH METROPLEX IN CANTON'S EXPANDED LOCAL CALLING SERVICE – Mayor Hilliard requested the City try to get the Dallas/Fort Worth Metroplex added to Canton's local area calling service as a cost-saving measure for Canton residents. He also said it may be too much of a burden for some residents. Julie Jackson presented two options: (1) the Council could petition Verizon to offer an optional subscriber service that allows residents to call the Metroplex for a set monthly rate, as is done in Wills Point for approximately \$15.00 a month; or (2) a petition with local residents signatures could sent to the PUC requesting the Metroplex be included in Canton's local calling area, as has already been done giving Canton local service to Wills Point, Tyler and surrounding cities. This would involve a monthly charge added to everyone's bill whether or not they used the service. Councilmembers Sanford, Roberts and Wilson said they were more inclined to provide citizens with the *option* for Metroplex calling. Councilmember Wilson made the motion to approve initial inquiries into the availability of local service calling to the Dallas/Fort Worth Metroplex. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROACHING UTILITY COMPANIES SERVING CANTON TO NEGOTIATE FOR THE COLLECTION OF THEIR PAYMENTS (GAS, ELECTRIC, TELEPHONE) – Mayor Hilliard recommended the City look into the possibility of collecting payments for utility companies. He pointed out that residents did not have a local site at which to pay their utility bills. Councilmembers Roberts and Hutcherson expressed their concern that it would create the need for additional bookkeeping, time and personnel. Mr. Mallory said it would place a heavy burden on the staff, especially at the first of the month when operations were already heavy. Mayor Hilliard asked the staff to check into it.

DISCUSS AND CONSIDER POSSIBLE INFRINGEMENT OF THE FIRST MONDAY TRADEMARK BY MASS MEDIA – Mayor Hilliard said the airing of a new television program called "First Monday" might be infringing on the City's trademark rights, as well as others misusing the name. He said the City might want to seek compensation for its use. Julie Jackson was asked to contact the City's trademark attorney.

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING W & W LAND COMPANY VS. CITY OF CANTON, ET AL (Section 551.071)

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072)

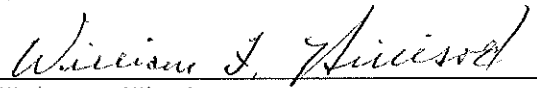
The City Council adjourned to executive session at 7:19 p.m. for consultation with the attorney regarding W & W Land Company vs. City of Canton, et al, and to discuss the potential purchase of real property.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council returned to open session at 7:41 p.m. with not action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Councilmembers set a workshop for 8:00 a.m., Saturday, February 2, 2002, to discuss amending

the City's employee policy manual and salary chart, and to work on a long-range plan. Councilmembers requesting City credentials were asked to have their picture made by the City's receptionist, who would then prepare them.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned on a motion by Councilman Roberts, second by Councilman Hutcherson, and all voting in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 8:00 A.M., SATURDAY, FEBRUARY 2, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order and declared that a quorum was present.

WORKSHOP FOR REVISING EMPLOYEE POLICY MANUAL – Councilmember Hutcherson stated that she would like to see erroneous information cleaned up in the policy manual. As an example, she cited the policy that states Council members are eligible for employee insurance, when, in fact, this is not allowed by the state board of insurance. Councilmember Roberts supported Councilmember Hutcherson's request, stating that it was not a bad manual on the whole. Johnny Mallory requested that any manual should have a "subject to change" clause. Councilmember Wilson suggested the manual be maintained on the computer and be updated as changes occurred. Councilmember Pruitt recommended it be updated every two years. One error pointed out by Mr. Mallory was that the City increased its matching contribution to employee retirement accounts from 5% to 7.5%. Councilmember Hutcherson said she would also like to see one employee receive more training on insurance administration. She discussed problems she was still having with Cobra, and Debbie Phillips was asked to call Cobra regarding Mrs. Hutcherson's medical bills at Dr. Hilliard's office. Councilmember Roberts suggested the probationary period for new employees be extended from ninety days to six months, but still becoming eligible for benefits after ninety days. Mr. Mallory indicated that Police Chief Hammonds felt that a ninety-day probation period was not long enough to fully evaluate his

employees. He said that all employees receive a step raise after their probation period. Councilmember Wilson was informed that for the utilities department, the entry-level salary was \$6.15 and the average salary was \$8.56. Upon questioning, Debbie Phillips said the City had fifty-five to sixty full time employees and twenty-five part-time employees. Councilmember Roberts indicated he agreed with the policy manual on page thirty-two that states all employees who reach the maximum salary for his/her position will receive salary increases only as the Chart is amended. He also suggested that the Council could give cost-of-living increases in addition to the chart. Mr. Mallory informed the Council that the Salary Chart was last amended in 1996, at which time it was raised 5%. And, that each step is approximately a 3% raise, which is more than the average inflation in the cost of living. Councilmember Roberts said the City Manager could give extra steps on his own, but he asked that the Council be kept informed. Councilmember Hutcherson asked that the policy manual be accurate and that it be enforced. The Council then discussed the City's drug use and testing policies. Councilmember Roberts requested the restrictions regarding drug use also be placed in the disqualifications for employment section on page three. On page six, he asked that "and their dependents" be stricken from the Insurance section, as well as "Members of the City Council are considered employees of the City of Canton for benefit purposes." On page nine, he suggested that employees be given ten days of vacation after one year of employment, but Councilmember Wilson said that one week after the first year was standard practice. Councilmember Wilson did suggest that employees be given four weeks of vacation a year after they had been with the City fifteen years. Mr. Mallory also suggested taking out the classification for permanent part-time employees, as all but one employee were full-time or part-time. He said the law stated that anyone over thirty hours was considered full-time. Councilmembers were asked to submit their recommendations in writing to Councilmember Hutcherson.

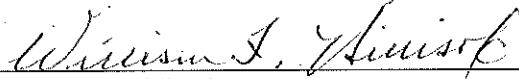
WORKSHOP FOR REVISING SALARY CHART FOR THE CITY OF CANTON -
Councilmember Roberts said he would like to see the chart revised. He had no problems with the steps and stability pay, but he wanted to see the steps increased sufficiently to retain good employees. He also wanted to see the chart reflect the First Monday pay for the salaried employees, i.e. Johnny Mallory, Al Campbell and David Hammonds. Councilmember Pruitt said he thought the First Monday pay should be distributed by separate check. Councilmember Wilson pointed out that, to date, when these employees received their step increase of 3%, the First Monday paychecks had not been affected. Councilmember Wilson suggested that the pool raise be set by the Council and the City Manager. Then, department heads, with the approval of the City Manager, would determine the allocation of that pool raise within their department. This means that some employees would receive higher percent raises than others, based on merit, but the total pool raise for the department would remain constant. He also recommended increasing the minimum step levels. Councilmember Roberts suggested putting in additional steps at the top end of the salary chart so employees who have reached the ceiling would be eligible for raises, unless the City Council comes up with a cost-of-living raise.

WORKSHOP FOR DEVELOPING LONG-RANGE PLAN FOR THE CITY OF CANTON -
Mr. Mallory reported that all supervisors had turned in their five-year plans, but many included capital improvement items without plans for their funding. He said the water and sewer plant expansions were priority items. And, that while the City could base its budget on the historical five percent growth, additional revenues would need to be generated to fund the \$3,000,000 bond issuance the water and sewer plant expansions required. He said these additional bonds would

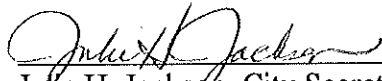
put the City's debt over \$10,000,000, which would be fairly difficult to manage without additional revenue. He reminded the Council that the Texas Water Development Board, which holds our bonds, told the City that its water rates were too low. Councilmember Wilson said he didn't have a problem increasing rates to fund the improvements. Councilmember Roberts said he wanted to see a long-range plan on paper so he could justify what needed to be done. A discussion of the sales tax revealed that the City was charging 2% (the maximum allowed), with 1% going to the general fund, 0.5% going to the Canton Economic Development Corporation, and 0.5% to debt reduction. Jim Stephens led a brief discussion on economic development activity.

Mr. Mallory informed the Council that two residents on Meadow Lane were requesting brick walls instead of sloping their yards. He said another two may make a similar request, which would cost up to \$20,000. Mayor Hilliard said he hoped the City would refinish Lazy U and Shady Lane next.

ADJOURN -There being no further business to come before the Council, Councilmember Wilson moved that the meeting be adjourned. Councilmember Sanford seconded and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P.M., TUESDAY, FEBRUARY 19, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Tommy Roberts, Raymond Pruitt and Beverly Hutcherson. Councilmembers Ron Sanford and Rusty Wilson were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard.

INVOCATION was given by Jim Stephens.

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

GUEST ITEMS - None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE JANUARY 15, 2002 MEETING OF THE CANTON CITY COUNCIL - Councilmember Roberts moved that the minutes of the January 15, 2002 meeting of the Canton City Council be approved as presented. Councilmember Hutcherson seconded and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE JANUARY 2002 FINANCIAL STATEMENTS -The January 2002 Financial Statements were unanimously approved on a motion by Councilmember Pruitt and second by Councilmember Hutcherson.

CALL OF GENERAL ELECTION FOR MAY 4, 2002 TO ELECT THREE COUNCILMEMBERS - Councilmember Roberts made the motion to call a general election on May 4, 2002 to elect three councilmembers. Beverly Hutcherson seconded the motion and all voted in favor. Councilmembers with terms expiring are Beverly Hutcherson, Raymond Pruitt and Tommy Roberts. The election notice was signed by all councilmembers for posting at City Hall.

PRESENTATION BY REPRESENTATIVE OF HESTER, CONWAY & COMPANY REGARDING 2000-2001 AUDIT - Mike Conway presented the audit findings to the council, which gave a clean opinion as to the fairness of the reporting of the City's accounts. He pointed out on page two that cash at year-end was \$1,334,481, up over the previous year-end figure of \$909,548 and fixed assets were up slightly from \$22,554,187 to \$22,608,593. He reported the larger debt items, including notes payable and general obligation and revenue bonds, were down. Liabilities decreased from \$8,687,841 last year to \$8,132,082 this year. He said the equity, an indication of the general health of the City, was up from \$13,866,346 to \$14,476,511.

He explained that page four reflected government operations, which did not include proprietary funds such as First Monday, Water & Sewer. Here, the City revenues were comparable to the previous year if the grant was taken out of the equation. Tax revenue was up slightly and interest income was down somewhat. Expenditures were up by about \$40,000 because the debt service started to climb. The net loss was \$192,000 versus \$44,009 from the previous year, the difference largely due to the grant the City received in the previous year. Taking the First Monday transfers into consideration, revenues over expenditures climbed to \$445,650 versus \$279,014 the previous year.

Mr. Conway reported a small increase in operating revenues and expenses for the Water, Sewer and First Monday Departments, as reflected on page six. The net income increased from \$500,982 to \$670,347 with First Monday reaching its typical net income of approximately \$1,000,000 and Water & Sewer operating at a \$396,887 net loss. First Monday transferred a total of \$530,000 to the Water & Sewer operations. Mr. Conway recommended the City evaluate the water and sewer rates and try to break-even on the debt service and operations.

He reported that First Monday also funded \$406,230 of the general government operations. Overall, he reported the City to be in good financial health as a result of the First Monday revenues.

DISCUSS AND CONSIDER APPROVAL OF 2000-2001 AUDIT - Councilmember Pruitt moved to approve the 2000-2001 audit. Councilmember Roberts seconded and all voted in favor.

DISCUSS AND CONSIDER CITY'S FINANCIAL POSITION - Mayor Hilliard tabled the item after informing the public that it was necessary for the City to consider increasing the water and sewer rates.

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION SUPPORTING CASTILLIAN LODGE NO. 141 IN ITS APPLICATION FOR EXEMPTION FROM AD VALOREM TAXATION – Councilmember Pruitt explained that the legislature passed a law exempting masonic lodges from property taxation, provided they keep accurate records and they receive exemption approval from the City, School and County taxing authorities. It must be requested annually and is required from the City even though the tax rate is 0%. The information is then turned into the State Comptroller for approval before granted through the taxing entities. Councilmember Hutcherson made the motion to adopt the resolution supporting Castillian Lodge No. 41 in its application for exemption from ad valorem taxation. Councilmember Roberts seconded and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION PROCLAIMING MARCH 4-8, 2002, PUBLIC SCHOOL WEEK – Anthony Risner provided an historical account of the Masonic Lodge's role in public education, then encouraged the City's support of Public School Week. Councilmember Roberts moved to adopt a resolution proclaiming March 4-8, 2002, Public School Week. Councilmember Hutcherson seconded and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM CANTON VOLUNTEER FIRE FIGHTERS ASSOCIATION FOR AUTHORIZATION TO CONDUCT ON-STREET SOLICITATION AT THE INTERSECTION OF HIGHWAY 64 AND BUFFALO STREET ON MAY 4 AND 5, 2002 – Association President James Hollingsworth made the request to conduct a boot drive to raise funds for two scholarships benefiting a girl and boy graduating from Canton High School. Councilmember Pruitt made the motion to approve the request. Councilmember Roberts seconded and all voted in favor.

DISCUSS AND CONSIDER PLACEMENT OF TRUCKS AND EQUIPMENT AT A LOCATION NEAR HIGHWAY 17 AND INTERSTATE 20 TO SERVE AS A NORTH SIDE FIRE STATION – Fire Chief Brian McNevin explained that all City equipment was located on the south side of town, which created problems responding to calls on the north side during First Monday Trade Days. He said eight to ten men were considering forming their own fire department in that area, but had since joined the Canton Volunteer Fire Department with hopes of placing CVFD equipment (Booster 1 and Brush 2) on the north side. Stacy Spiers had offered land on which a temporary building could be erected. The men had proper licenses and were undergoing fire training and training on the equipment. Chief McNevin pointed out that their families were supporting their effort and that three experienced fire fighters were working at the sewer plant and could also respond on the north side during the day. He also said he would begin a search for a site for a permanent north side fire station, as recommended in the annual ISO audit. The temporary site would be one and one-half miles outside the city limits. Councilmember Roberts expressed some reservations regarding the temporary location and a permanent site, e.g. is the equipment covered by insurance, and would a permanent site require full-time personnel, etc. Councilman Pruitt asked if the men were qualified to drive and to operate the equipment and would they continue to participate in Monday night training sessions. Chief McNevin said they had been trained and would continue to bring the equipment in for the training sessions. Chief McNevin said all the problems had been aired-out at the Firefighters Association meeting. Mayor Hilliard tabled the discussion and set a meeting for 8:30 a.m., Saturday, January 23, 2002, at which time the council would make a decision. He also requested an item be placed on that agenda for further discussion of the City's financial position.

DISCUSS AND CONSIDER INTERLOCAL AGREEMENT WITH VAN ZANDT COUNTY REGARDING OPERATIONS IN THE JUSTICE OF THE PEACE/MUNICIPAL CLERK'S OFFICE – Johnny Mallory explained that the county requested an interlocal agreement defining the current responsibilities for operations in the Justice of the Peace/Municipal Judge's office. Councilmember Hutcherson made the motion to approve the agreement. Councilmember Pruitt seconded and all voted in favor.

FIRST PUBLIC HEARING ON ANNEXATION OF 0.230 ACRE TRACT LOCATED ON INTERSTATE 20 OWNED BY BILLY JACK DEAN - Mayor Hilliard opened the public hearing at 7:10 p.m. and closed at 7:11 p.m. with no one present to address the issue.

FIRST PUBLIC HEARING ON ANNEXATION OF HIGHWAY 243 ROADWAY TO WESTERN BOUNDARY OF THE CANTON INTERMEDIATE SCHOOL PROPERTY, AND THE 0.2296 ACRE TRACT IN THE JESSE STOCKWELL SURVEY A-760 OWNED BY THE CITY OF CANTON – Mayor Hilliard opened the public hearing at 7:11 p.m. and closed immediately following with no discussion from the audience.

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION – Councilmembers Pruitt and Roberts requested the item be tabled until the January 23, 2002, meeting.

DISCUSS AND CONSIDER CHANGES IN THE HANDLING OF PICKED-UP BRUSH AT CITY LAKE – Mayor Hilliard informed the Council that City Manager Johnny Mallory had made the changes internally which did not require Council action.

DISCUSS AND CONSIDER MODIFICATIONS TO CITY EMPLOYEE POLICY MANUAL AND SALARY CHART – Mayor Hilliard tabled the item until a future meeting.

DISCUSS AND CONSIDER AMENDMENT TO THE ANIMAL CONTROL ORDINANCE NO. 99-16 REQUIRING NON-HOOVED ANIMALS TO BE ELEVATED TWO INCHES ABOVE GROUND AND DEFINING CAGES AND PENS – Police Chief Hammonds explained that the animal control officer was having problems enforcing the ordinance. He suggested adding definitions for cages and pens, and requiring only non-hooved-animals be elevated two-inches above ground. Councilmember Hutcherson moved to amend the animal control ordinance as suggested by Chief Hammonds. Councilmember Roberts seconded and all voted in favor.

DISCUSS AND CONSIDER CANTON ANIMAL SHELTER – Councilmember Pruitt requested the item be tabled until the January 23, 2002 meeting.

DISCUSS AND CONSIDER PURCHASE OF NEW CAR FOR CITY MANAGER – The item was tabled until the January 23, 2002 meeting.

DISCUSS AND CONSIDER ALLOCATION OF REVENUE FROM CINGULAR WIRELESS AGREEMENT – Mayor Hilliard tabled the item so that Councilmember Pruitt could discuss alternative uses with City Manager Mallory. Councilmember Pruitt originally wanted to apply the extra revenue to help pay off the loan on a City pavilion. City Manager Mallory suggested it be used to put a new roof on City Hall.

DISCUSS AND CONSIDER ALLOCATION OF FUNDS FROM THE SALE OF SURPLUS EQUIPMENT – Councilmember Roberts indicated he would like to see the funds from the sale of the surplus equipment be used to buy a decent truck for the animal control officer. He presented specifications for a 1996 model truck with 118,000 miles on it, which was selling for \$7,950. The NADA average retail was over \$11,000 and the average trade-in value was \$9,450. It came with

a 30-day, 1,000 mile warranty. Johnny Mallory indicated the sale of the surplus equipment raised a little under \$10,000. Councilmember Roberts moved that the City purchase the above-mentioned truck. Councilmember Pruitt seconded and all voted in favor.

DISCUSS AND CONSIDER SALE OF PROPERTY LOCATED BEHIND AMERICAN NATIONAL BANK – Since the City was not going to be able to use the property for a new City Hall and American National Bank was not interested in repurchasing the property, Councilmember Pruitt moved that the City advertise for bids on the property behind American National Bank. Councilmember Hutcherson seconded and all voted in favor.

DISCUSS AND CONSIDER EXPANSION PLANS FOR THE WATER PLANT AND WASTEWATER TREATMENT PLANT – The item was tabled after Mr. Mallory informed the Council that the engineers had not yet completed the plans.

The City Council adjourned at 7:25 p.m. and entered into executive session at 7:30 p.m. following a brief break, to address the items below.

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING W & W LAND COMPANY VS. CITY OF CANTON, ET AL (Section 551.071)

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – DISCUSS EXISTING STAFF FOR FUTURE FIRST MONDAY POSITION

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072)

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council returned to open session at 7:40 p.m. Consultation with the attorney regarding W & W Land Company vs. City of Canton, et al, and discussion regarding personnel matters were both tabled. No other action was taken

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None other than the items discussed during the meeting.

ADJOURN – There being no further business to come before the Council, the meeting was adjourned on a motion by Councilman Pruitt, second by Councilman Roberts, and all voting in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 8:30 A.M., SATURDAY, FEBRUARY 23, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, and Raymond Pruitt. Councilmember Beverly Hutcherson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 8:30 a.m. and declared that a quorum was present.

DISCUSS AND CONSIDER PLACEMENT OF TRUCKS AND EQUIPMENT AT A LOCATION NEAR HIGHWAY 17 AND INTERSTATE 20 TO SERVE AS A NORTH SIDE FIRE STATION - Councilmember Sanford expressed his support of the request. Councilmember Pruitt agreed after the Fire Chief assured him the men were trained, especially because it would house two trucks that were currently outside. Councilmember Pruitt requested the council review the issue every sixty days. The Council discussed receipt of two proposals for a permanent site, one on VZCR 1255 owned by Dale Stone, and another on Hwy. 17 owned by Jim Taylor. Mr. Taylor was requesting a change in the sign ordinance to allow him to erect an off-premise billboard that would off-set the cost of housing a fire station on his property. Councilmember Wilson asked if a permanent site would help the ratings. Councilmember Sanford said the State Board of Insurance reports say the City needs a station more accessible to the Interstate. He said the Stone property could be annexed to qualify as a second station, which should change our ratings from a five to a four. A second location has to have an engine in it to qualify as a second station. Chief McNevin is checking into grants and is planning on a 3-bay, 40'x60' building. Councilman Wilson asked how the temporary station would be managed. Chief McNevin said the men in the area are all part of the fire department and they are responding to the main station now, or directly in their private vehicles if the fire is on the north side. With a second site, they would respond from there in City fire trucks. Councilmember Hutcherson asked how long people had to be on the fire department before they were allowed to drive a truck. Chief McNevin said it was usually six months, but the association members waived this restriction because they all had the proper licenses, they drove trucks for a living and they were trained on the equipment. The Chief said he planned to place Booster 1 and the Ford Brush Truck at the station. He also said the Fire District boundary was about half-way to Grand Saline. Councilman Roberts said he would like to add the stipulation that a permanent site be found by July 1, 2003. Following a discussion on water availability, Councilmember Sanford moved that the City place two trucks at a temporary north side station, that the decision be reviewed every sixty days, and that a location for a permanent north side station be obtained by July 1, 2003. Councilmember Pruitt seconded and all voted in favor.

Councilmember Pruitt reported that he had been informed that Dave Norman was denied assistance with a control burn. Chief McNevin explained that he and Mr. Mallory had decided that because of liability issues, the fire department did not assist with control burns. Councilmember Sanford agreed, but suggested the fire department call in men to stand by at the station and let the property owner know they were available should it look like the fire was getting out of control.

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION - Councilmember Pruitt requested

that whoever serves should have the City's best interests at heart. He recommended Cindy or Mike Malouf, Ronnie Fugate or Lucia Deen. CEDC director Jim Stephens said he would like an opportunity to find someone. Mayor Hilliard said that after taking office, he was approached by people who thought the Board was weighted too heavily with City employees and representatives. He recommended Tommy Eubank, Ronnie Fugate, Lucia Deen, Ann Miller or Henry Lewis. Councilmember Sanford said whoever was appointed should consider the effects projects would have on the City, and they should look out for the City's future. Councilmember Roberts said they needed someone strong and he didn't know if it was the right time to make changes. Mayor Hilliard tabled discussion until March 9, 2002 at 8:30 a.m.

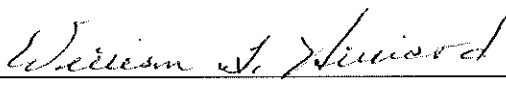
DISCUSS AND CONSIDER CITY'S FINANCIAL POSITION – Councilmember Pruitt asked how the City was going to fund the \$250,000 per year in payments that a \$3,000,000 bond issuance would cost. Johnny Mallory presented a plan which included raising water and sewer rates and relied on a 5% annual increase in sales tax revenue. He said the minimum water rate was \$8.00 for 1,500 gallons, after which the charge is \$2.50 per 1,000 gallons. He recommended raising the rate for additional usage to \$2.75 per 1,000 gallons, which would generate approximately \$100,000 per year. He also recommended raising sewer rates from \$0.40 per 1,000 gallons to \$0.70 per 1,000 gallons and removing the \$16.00 cap. He indicated a 5% increase in sales tax revenue would generate another \$50,000 per year. He also planned on applying the funds from other bonds scheduled to retire in 2007. Mr. Mallory questioned whether a \$3,000,000 bond issuance would cover the costs of the needed water and sewer plant expansions. Mayor Hilliard suggested increasing the minimum water rate and raising the additional usage rate, while minimizing sewer rates. He also suggested increasing the minimum water rate a little bit, increasing the fees for additional usage in steps and capping sewer rates. It was suggested that sewer rates could be based on an average of winter month water usage. Councilmember Pruitt indicated he had a problem with a yard-waterer having to pay more on sewer. He then requested that the Mayor and City Manager present a rate proposal by the March 2002 meeting. Councilmember Wilson asked Julie Jackson to find out rates charged by surrounding cities. Councilmember Roberts requested that a five-year plan that justified rate increases was necessary before he could make a decision on rate increases. Councilmember Pruitt recommended a committee be formed to help develop a five-year plan. Mr. Mallory indicated he felt it was his and the supervisors' role to prepare the plan, and the Council's responsibility to raise the revenue to support the plan.

DISCUSS AND CONSIDER CANTON ANIMAL SHELTER – Ron York reported that the animal shelter was not paying for itself and it was grossly inadequate for the number of animals it housed. He said they were currently making what improvements could be made, but there was no way it would ever meet current regulations. He indicated that Bill and Denise Proctor had developed and now maintain a website for the adoption of pets and for raising funds to support the shelter. They did this as volunteers and used their own money. He requested the Council consider increasing pet adoption fees from \$15 to \$20, and to \$75 or \$100 for registered animals. He said most shelters charged \$40-\$60 per animal and more if spayed, neutered or registered. He said they were trying to raise funds to build a new shelter in an accessible location. Bill Proctor's engineering firm volunteered to draft a set of plans at no cost, and Canton Electric offered a discount on materials. Lt. York also brought up the fact that the animal control officer was making calls out in the county at the request of the Sheriff's Department for which the City was not compensated. He also said the cost of taking in animals from other cities was greater than the


fee charged. And, the local veterinarian had a key to the animal shelter and was not paying anything for the disposal of his animals. The Council decided he should pay the regular rate of \$10 and the locks at the animal shelter should be changed. Mayor Hilliard said he would talk to Dr. Davis about charging him \$10 per animal for incineration. Councilman Wilson recommended changing the adoption fees to \$25. Upon the request of Councilmember Pruitt, Johnny Mallory said a special fund would be established for donations to the animal shelter. The Mayor requested that any new site have gas and sewer services available. Councilmember Pruitt asked for the Police committee to work with Lt. York and Donald Wilhite to recommend fees to the Council for consideration at the next meeting.

DISCUSS AND CONSIDER PURCHASE OF NEW CAR FOR CITY MANAGER – Councilmember Sanford requested the City consider purchasing a full-size or mid-size program cars from a local dealer for the city manager. Councilmember Wilson suggested the City also advertise for bids on new vehicles. Councilmember Sanford made the motion to shop for a full-size or mid-size program car at the local dealers and the advertise for bids on a new vehicle. Councilmember Wilson seconded and all voted in favor.

ADJOURN – The Council called a special meeting for 8:30 a.m., Saturday, March 9, 2002. There being no further business to come before the Council, Councilmember Pruitt moved that the meeting be adjourned at 9:45 a.m. Councilmember Wilson seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
8:30 A.M., SATURDAY, MARCH 9, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 8:30 a.m. and declared that a quorum was present.

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION – CEDC Director Jim Stephens

reported that David Miller indicated he would be willing to serve on the board. He also talked to Lucia Deen who felt she could not serve at the current time. Mayor Hilliard recommended Ronnie Fugate who told Councilmember Pruitt he was reluctant to serve, but felt he had a few things he could add. Councilmember Roberts made a motion to appoint Ronnie Fugate and re-appoint Wade Whitaker, Kenneth Pruitt and Joe Groves to the Canton Economic Development Corporation's Board of Directors. Councilmember Wilson seconded, and all were in favor.

DISCUSS AND CONSIDER CANTON ANIMAL SHELTER – Police Chief David Hammonds and Lt. Ron York presented a list of proposed changes for the Canton Animal Shelter. The proposal requested the adoption fees be increased from \$15 to \$20 for dogs, from \$10 to \$15 for cats, and to charge \$50 adoption fees for purebred dogs with registration papers. Chief Hammonds reported that Mr. and Mrs. Proctor developed a website to promote the adoption of animals and to raise funds for a new shelter. He requested they be reimbursed the \$100 start-up expense they incurred. He also reported responding to calls in the county regarding vicious animals and dog bites for which the City was not currently receiving recompense. The recommended billing to the county included: \$8.50 an hour for the officer's per-hour pay plus any over-time; \$0.35 per mile for the animal control officer's mileage; the actual cost of darts/chemicals/other materials used; and \$5.00 per day housing for feed and care of the animal. Chief Hammonds informed the Council that the local vet had a key to the incinerator and was allowed to bring animals for disposal at no charge. He further explained that unlike surrounding vet clinics, the local vet offered no discounts to the City of Canton for care and treatment of its animals. Chief Hammonds recommended charging the local vet the customary \$10 per animal disposal fee as defined in the animal control ordinance. After a brief discussion on billing, the Council agreed to bill the County for calls and Councilmember Roberts asked that the City follow up and make sure they were paid. Lt. York indicated that with an average of three or four calls a week in the county, the billing would not have a great impact on income, but it would help cover the expense of making the calls. Chief Hammonds reported that the Shelter took in \$800 to \$1000 per month, including donations. Councilmember Roberts made a motion to increase adoption fees to \$15 for dogs, \$10 for cats and \$50 for purebreds with papers; to adopt the billing rates for county calls as proposed; to charge the local vet \$10 per animal for disposal; and to reimburse the Proctor's \$100 for the start-up expense on the website. Councilmember Sanford seconded, and all voted in favor. Councilmember Roberts indicated he felt the maximum charge for turning in a mama dog and her pups to the shelter should be set at \$25. Councilmember Pruitt requested that funds donated for the animal shelter be kept in a separate account.

DISCUSS AND CONSIDER WATER AND SEWER RATES – Johnny Mallory presented a comparison of water and sewer rates charged by surrounding cities. He recommended leaving the minimum charge for water at \$8.00 for 0-1500 gallons, but increasing from \$2.50/1000 to \$3.00/1000 for anything over that. He also recommended leaving the minimum charge for sewer at \$6.00 for 0-1500 gallons, but raising from \$0.60/1000 to \$0.70/1000 for anything over that. He estimated the rate increase would raise revenues by about \$160,000 based on projections using 2001-averages. Mr. Mallory indicated that if the plant expansion cost \$3,000,000, the City would have to incur an additional \$250,000 per year in bond payments. Councilmember Wilson suggested raising the above-minimum charge to \$3.50/1000 so that the City wouldn't have to raise rates again in the near future. Mr. Mallory informed the Council that the average usage was 10,000 gallons and that there were only 20-25 meters using less than the minimum. He suggested also raising water rates for the 325 customers outside the city limits from \$14.00 to \$20.00 for 0-

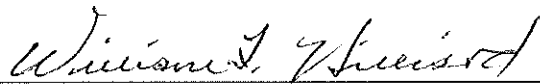
1500 gallons, which would generate another \$22,000. Only thirty of those customers have sewer. Councilmember Wilson indicated he felt outside city customers with sewer should be paying city rates. Councilmember Roberts requested the rate comparison be modified to include Grand Saline and Canton. He also requested a plan be presented that outlined what this revenue was expected to pay for. Mr. Mallory responded that the engineering report on the water and plant expansion study was not yet in, but that the increases would directly fund the expansion. Councilmember Pruitt indicated he was not opposed to an \$8.50 minimum also. Mr. Mallory was asked to re-run projections with an \$8.50 minimum, and with a \$3.50/1000 above-minimum rate. Public Works Director Pete Lucas said he would also like to plan for changing out 20,000 feet of two-inch pipe with six-inch pipe every year. Councilmember Pruitt added that the City should consider charging a brush pick-up fee. The Council discussed the problems with measuring, and Councilmember Pruitt suggested a \$3.00 or \$5.00 flat fee to pick it up. Mr. Mallory informed the Council that Olympic Waste had shown some interest in operating a transfer station in Canton.

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING W & W LAND COMPANY VS. CITY OF CANTON, ET AL (Section 551.071) - The Council convened in Executive Session at 9:12 a.m. to consult with City Attorney Richard Davis regarding W & W Land Company vs. City of Canton, et al.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in Open Session at 9:45 a.m. with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved that the meeting be adjourned at 9:45 a.m. Councilmember Sanford seconded, and all voted in favor.



 William F. Hilliard, Mayor

ATTEST:



 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P.M., TUESDAY, MARCH 19, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The March 19, 2002, regular meeting of the Canton City Council was canceled because there would not have been a quorum present. It was rescheduled to 8:30 a.m., Saturday, March 23, 2002.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
8:30 A.M., SATURDAY, MARCH 23, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, and Raymond Pruitt. Beverly Hutcherson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 8:30 a.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard.

INVOCATION was given by Jim Stephens.

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

GUEST ITEMS - None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM THE FEBRUARY 2, FEBRUARY 19, AND FEBRUARY 23, 2002 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved that the minutes of the February 2, February 19, and February 23, 2002 meetings of the Canton City Council be approved as presented. Councilmember Roberts seconded and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE FEBRUARY 2002 FINANCIAL STATEMENTS -The February 2002 Financial Statements were unanimously approved on a motion by Councilmember Sanford and second by Councilmember Wilson.

DISCUSS AND CONSIDER APPOINTMENT OF ELECTION JUDGE AND ALTERNATE ELECTION JUDGE AND DESIGNATION OF POLLING PLACE FOR GENERAL ELECTION ON MAY 4, 2002 - Mr. Mallory reported that only the incumbents had filed for the May 4, 2002 election. If no one signed up as a write-in candidate by 5:00 p.m. Monday, the Council could then cancel the election. He said the Council did need to proceed with the appointment of an election judge and alternate. Councilmember Pruitt moved to appoint Mary Wages as Election Judge and Mary Robertson as Alternate Judge, and to designate the City Hall Council Chambers as the polling place for the May 4, 2002 general election. Councilmember Wilson seconded, and all voted in favor.

SECOND PUBLIC HEARING ON ANNEXATION OF 0.230 ACRE TRACT LOCATED ON INTERSTATE 20 OWNED BY BILLY JACK DEEN – Mayor Hilliard opened and closed the public hearing having received no comments from the audience or council.

SECOND PUBLIC HEARING ON ANNEXATION OF HIGHWAY 243 ROADWAY TO WESTERN BOUNDARY OF THE CANTON INTERMEDIATE SCHOOL PROPERTY, AND THE 0.2296 ACRE TRACT IN THE JESSE STOCKWELL SURVEY A-760 OWNED BY THE CITY OF CANTON – Mayor Hilliard opened and closed the public hearing having received no comments from the audience or council.

DISCUSS AND CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF THREE TRACTS LOCATED ON INTERSTATE 20 OWNED BY BILLY JACK DEEN – Councilmember Roberts moved to accept the petition for annexation of three tracts located on Interstate 20 owned by Billy Jack Deen. Councilmember Sanford seconded, and all voted in favor. The Council set public hearings for April 9, and April 16, 2002 at 6:30 p.m., with a final decision to be made at the May 2002 meeting.

DISCUSS AND CONSIDER ACCEPTANCE OF PETITION FOR ANNEXATION OF A 3.49 ACRE TRACT LOCATED ON ETHERIDGE ROAD OWNED BY HORACE AND WANDA ETHERIDGE – Johnny Mallory informed the Council that Mr. Etheridge was annexing the property for a small development. He said water would reach the property, but the sewer may have to be pumped, all at the owner's expense. Councilmember Pruitt moved to accept the petition for annexation of a 3.49 acre tract located on Etheridge Road owned by Horace and Wanda Etheridge. Councilmember Sanford seconded, and all voted in favor. The Council set public hearings for April 9, and April 16, 2002 at 6:30 p.m., with a final decision to be made at the May 2002 meeting.

DISCUSS AND CONSIDER FIVE-YEAR PLAN FOR THE CITY OF CANTON – Councilmember Roberts requested the item be tabled until the engineers submitted the results from the water and sewer plant expansion studies. He asked that Johnny Mallory contact the engineers and let them know the Council was pushing for the study, and that a five-year plan be presented in some form at the next regular meeting.

DISCUSS AND CONSIDER AMENDMENT TO ANIMAL CONTROL ORDINANCE NO. 99-16 INCREASING ADOPTION FEES AND ESTABLISHING FEES FOR INCINERATION AND FOR RESPONDING TO CALLS IN THE COUNTY – Because the incineration fee was already established in the ordinance and the county fees would be enforced administratively, Councilmember Pruitt moved that the animal control ordinance be amended increasing adoption fees to \$15 for dogs, to \$10 for cats, and to \$50 for purebred animals with papers. Councilmember Sanford seconded, and all voted in favor. David Hammonds reported that the locks had been changed at the animal shelter.

DISCUSS AND CONSIDER APPROVAL OF PLAZA MUSEUM BYLAWS AND COLLECTION AND DEACCESSION POLICIES AND FORMS – Jim Stephens thanked the Council for their support in developing the museum, saying it was a great asset to the town. He expressed the need for a Board to govern museum operations. He assured the Council that he would still supervise the project under the Main Street Program and it would still fall under the jurisdiction of the City Council. Mayor Hilliard asked if it was legal to appoint members to the board who did not live inside the city limits. Mr. Stephens said it was not required and for the first board, he was recommending people who had put a lot of work into getting the museum

started, and who he could count on to continue to do so. He said he had also been receiving calls from people wanting to contribute pieces to the museum, which necessitated the development of policies and procedures. He added that the museum was becoming a drawing card that brought business to the downtown stores. As an example, he cited the recent visit from the Texas Bell Association, which met in Tyler and traveled to Canton to visit the museum. He also said that the curator was doing a great job and she was beginning to make enough money to consider operating her business full-time, which would mean the museum would be open more hours. Councilmember Roberts requested that the marquee be changed to have the Plaza Museum in bold letters, then having the curator's business as a secondary heading, not vice versa. Mr. Stephens went on to report that the top floor of the museum was rented, bringing in additional income. He said he'd like to see the museum reach a point where it paid for itself. He said they currently do not charge admission, and there is a small souvenir shop that he'd like to see expanded. Councilmember Pruitt moved that the bylaws, the collection policy and forms, and the deaccession policy and forms be approved as presented, and that Wendy Matthews, Don Plemmons, Annette Plemmons, Bill Rakestraw, Donna Rakestraw, Dorisene Groves, Raymond Pruitt, Anna Baker, Rollin Sinniger, Bennie McKnight and Lisa Yockey be appointed to the Board of Directors. Councilmember Roberts seconded, and all voted in favor. Mr. Stephens said the board would elect officers and also appoint two of its members as advisory members.

DISCUSS AND CONSIDER APPLICATION FOR GRANT FROM THE U.S. FIRE ADMINISTRATION FOR EQUIPMENT FOR FIRE DEPARTMENT – Chief Brian McNevin said the fire department applied for the same grant last year, but it was not awarded. He said the available funds had been increased to \$360,000,000 this year, and he felt Canton would receive a favorable response. He said he was requesting \$65,245 for twenty-five sets of bunker gear, ten air packs, and the installation of a FETA training system at the fire station. He said the grant required 10% matching funds, or \$6,500, which they had already collected through cost-recovery. He said the filing deadline was April 1, and decisions should be handed out by September. He said they had replaced six sets of bunker gear so far, and another twenty-five sets would equip all firefighters with new gear. Mayor Hilliard asked if the fire department needed a defibulator. Chief McNevin responded that Matt Stroud wanted to raise \$3,500 to get the fire department an AED because they were starting to receive a lot more first-responder calls. Councilmember Roberts moved that the application for a \$65,000 grant from the U.S. Fire Administration be approved. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER AWARDED BID FOR PURCHASE OF VEHICLE FOR CITY MANAGER - Mayor Hilliard asked if the City had a truck that could be used by the City Manager. Pete Lucas informed him that Rayford Hutcherson's truck was given to Jerry Shamlin and that Randy Strickland was currently using Pete's truck. He said all vehicles had been reassigned, and there were no extras. If the City Manager was given an existing vehicle, another would have to be replaced. The Council reviewed the following sealed bids which were opened and read aloud at 2:00 p.m. on March 19 at City Hall:

Canton Motors	New 2002 Ford Taurus SE 3 yr/36,000 mile factory warranty, tan in color	\$17,000
Canton Motors	2001 Dodge Intrepid SE (program car) 19,800 miles with 4 yr/75,000 mile warranty zero deductible, tan in color	\$14,500

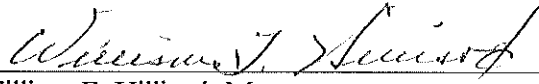
John Crow Pontiac	2001 Pontiac Bonneville SE (program car)	\$16,840
Buick GMC	2HX69 four-door sedan	
	19,852 miles with 3 yr/36,000 mile warranty	
	Light Bronzemist Metallic in color	
 Lewis Chevrolet	 2002 Chevrolet Malibu (program car)	 \$14,745
	11,300 miles with 5 yr/75,000 mile warranty	
	Silver in color	

After a brief discussion, Councilmember Roberts moved to award the bid to Canton Motors for the purchase of a 2002 Ford Taurus at a cost of \$17,000. Councilman Sanford seconded, and all voted in favor. Mr. Mallory was instructed to request the vehicle in white and to look into an extended warranty.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072) - The Council did not hold an Executive Session.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Councilmember Pruitt requested that the following items be discussed at the next regular meeting: improvements to First Monday, the extension of Trade Center III, and letting bids for the concession stand in the Canton Civic Center.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved that the meeting be adjourned at 9:05 a.m. Councilmember Roberts seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P.M., TUESDAY, APRIL 9, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Ron Sanford, and Beverly Hutcherson. Councilmembers Tommy Roberts and Raymond Pruitt were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

DISCUSS AND CONSIDER ACCEPTANCE OF CITY SECRETARY'S CERTIFICATION OF UNOPPOSED CANDIDATES FOR THE MAY 4, 2002 GENERAL CITY ELECTION - Councilmember Sanford made the motion to accept the City Secretary's certification of unopposed candidates for the May 4, 2002 General City Election. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE CANCELING THE MAY 4, 2002 GENERAL CITY ELECTION AND DECLARING UNOPPOSED CANDIDATES ELECTED TO THE CITY COUNCIL - Councilmember Wilson moved to adopt Ordinance No. 2002-01 canceling the May 4, 2002 General City Election and declaring unopposed candidates Beverly Hutcherson, Raymond Pruitt and Tommy Roberts elected to the Canton City Council. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF 0.230 ACRE TRACT LOCATED ON INTERSTATE 20 OWNED BY BILLY JACK DEAN - Councilmember Hutcherson moved to adopt Ordinance No. 2002-02 annexing a 0.230 acre tract, located on the north service road of Interstate 20, owned by Billy Jack Deen. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF HIGHWAY 243 ROADWAY TO WESTERN BOUNDARY OF THE CANTON INTERMEDIATE SCHOOL PROPERTY, AND THE .2296 ACRE TRACT IN THE JESSE STOCKWELL SURVEY A-760 OWNED BY THE CITY OF CANTON - Councilmember Sanford moved to adopt Ordinance No. 2002-03 annexing the Highway 243 roadway from the current city limits to the western boundary of the Canton Intermediate School property, and the 0.2296 acre tract in the Jesse Stockwell Survey A-760, also known as the water tower property, owned by the City of Canton. Councilmember Wilson seconded, and all voted in favor.

FIRST PUBLIC HEARING ON ANNEXATION OF THREE TRACTS LOCATED ON INTERSTATE 20 OWNED BY BILLY JACK DEEN - The first public hearing on the requested annexation of three tracts located on Interstate 20 owned by Billy Jack Deen opened at 6:34 p.m. and closed at 6:35 p.m. with no comments being made.

FIRST PUBLIC HEARING ON ANNEXATION OF A 3.49 ACRE TRACT LOCATED ON ETHERIDGE ROAD OWNED BY HORACE AND WANDA ETHERIDGE - The first public hearing on the requested annexation of a 3.49 acre tract located on Etheridge Road owned by Horace and Wanda Etheridge opened at 6:35 p.m. Area resident Alton Smith received clarification on the location of the property. The hearing closed at 6:36 p.m. with no other comments being made.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING AT 999 WEST HIGHWAY 243, CANTON, TEXAS, OWNED BY PAM HEARD AND CRISTY THORN, FROM RA (AGRICULTURAL DISTRICT) TO B-1 (LOCAL BUSINESS DISTRICT) - A public hearing to consider this request opened at 6:36 p.m. Mayor Hilliard informed the Council the Planning & Zoning Commission recommended RPO (Restricted Professional Office) rather than B-1 (Local Business District) in deference to a neighboring resident's concerns. He further

explained that a daycare facility could operate under any zoning by special exception from the Board of Adjustment. Julie Jackson reported that of the six property owners notified, only one response was received in opposition to B-1 zoning. She said the property owners opposing B-1 attended the planning & zoning meeting and were more favorable to the recommended RPO zoning. The public hearing closed at 6:39 p.m. Councilmember Wilson moved to rezone 999 West Highway 243, Canton, Texas to RPO (Restricted Professional Office). Councilmember Hutcherson seconded, and all voted in favor with Councilmember Sanford abstaining.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING ON 0.91 ACRE TRACT LOCATED ON HIGHWAY 64, CANTON, TEXAS, OWNED BY BILLY JACK DEEN, FROM MF-1 (MULTIPLE FAMILY RESIDENTIAL) TO B-2 (GENERAL BUSINESS DISTRICT) – A public hearing to discuss the above-mentioned request opened at 6:39 p.m. Mayor Hilliard informed Councilmembers the Planning & Zoning Commission recommended granting this request. There being no further discussion, the hearing closed at 6:40 p.m. Councilmember Sanford moved to rezone a 0.91 acre tract located on Highway 64, Canton, Texas, owned by Billy Jack Deen to B-2 (General Business District.) Councilmember Wilson seconded, and all voted in favor.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING ON 1.0 ACRE TRACT LOCATED ON FM 859, CANTON, TEXAS, OWNED BY BILLY JACK DEEN, FROM RA (AGRICULTURAL DISTRICT) TO B-2 (GENERAL BUSINESS DISTRICT) – Mayor Hilliard tabled the item explaining there were not enough members of the Council present to call a vote. It would take a 4/5 vote of the Council to grant this request over the adjoining property owners' opposition. Neighboring property owner Ben Shirey was informed the matter could be re-addressed at the next regular meeting, or at a called meeting that would require publishing in the local newspaper.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING AT 450 LIVE OAK STREET, CANTON, TEXAS, OWNED BY TOMMY AND MARY WILLIAMS, FROM MH-1 (MOBILE HOME PARK DISTRICT) TO B-1 (LOCAL BUSINESS DISTRICT) – Mayor Hilliard opened the public hearing at 6:45 p.m. and closed at 6:46 p.m. with no comments. Upon the recommendation of the Planning & Zoning Commission, Councilmember Sanford moved that 450 Live Oak Street be rezoned to B-1. Councilmember Hutcherson seconded, and all voted in favor.

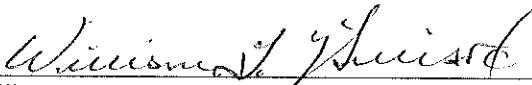
PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING AT 15083 FM 859, CANTON, TEXAS, OWNED BY MICHAEL D. COX, ET AL, FROM RA (AGRICULTURAL DISTRICT) TO R-1 (SINGLE FAMILY DETACHED RESIDENTIAL) – A public hearing was opened at 6:46 p.m., then closed at 6:47 p.m. after receiving no comments. Upon the recommendation of the Planning & Zoning Commission, Councilmember Hutcherson moved to change to R-1 zoning at 15083 FM 859. Councilmember Sanford seconded, and all voted in favor.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING ON 1.66 ACRE TRACT LOCATED ON HIGHWAY 198, CANTON, TEXAS, OWNED BY HORACE AND

WANDA ETHERIDGE FROM RA (AGRICULTURAL DISTRICT) TO B-1 (LOCAL BUSINESS DISTRICT) – A public hearing was opened at 6:47 p.m. Mayor Hilliard related the recommendation of the Planning & Zoning Commission was to deny this request due to its proximity to residential areas. The hearing closed at 6:48 p.m. Councilmember Sanford moved to deny the request to change zoning of a 1.66 acre tract located on Highway 198 to B-1. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None.

ADJOURN – There being no further business to come before the Council, Councilmember Hutcherson moved to adjourn at 6:50 p.m. Councilmember Wilson seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, APRIL 16, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Ron Sanford, Raymond Pruitt and Beverly Hutcherson. Councilmembers Tommy Roberts and Rusty Wilson were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:34 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard.

INVOCATION was given by Jim Stephens.

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

GUEST ITEMS – Marilyn Burrage posed the question of who would be responsible for installing the utilities to the Lake Ridge Subdivision. Councilmember Sanford said at one point, the developer was responsible, but he did not now know. Mrs. Burrage said she was concerned because minutes indicated the City would be responsible. Councilmember Sanford responded that the City staff would research the minutes, but everything would now be re-negotiated. Mrs. Burrage said she wanted to know an answer and the approximate cost. It was her understanding

it was customary for the developer to install utilities. She also wanted to know why this developer would be considered different than others in our area.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM MARCH 9, AND MARCH 23, 2002 MEETINGS OF THE CANTON CITY COUNCIL – Councilmember Sanford moved to approve the minutes of the March 9 and March 23, 2002 meetings of the Canton City Council. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE MARCH 2002 FINANCIAL STATEMENTS – Councilmember Pruitt moved to approve the March 2002 Financial Statements as presented. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE ADVANCE FUNDING AGREEMENT FOR THE CITY'S TRANSPORTATION ENHANCEMENT PROJECT THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION AND COMMITTING CITY'S LOCAL MATCH FOR THIS PROJECT – Mr. Mallory referred Council Members to the agreement located behind tab 8 and introduced Gary Traylor. Mr. Traylor explained the approval of the resolution is a confirmation of the Council's original commitment to the project. He said the figures in the resolution were the same as those submitted with the original request, and it granted authority to the City Manager to sign the agreement. Mr. Traylor advised the Council to let some time pass before the agreement is signed because only minor changes would be allowed after the signing. Mr. Traylor indicated no drawings or engineering had been produced other than the original schematics. He said the next agenda item would authorize Traylor Associates to begin requesting engineering proposals prior. Mayor Hilliard thanked Mr. Traylor for his guidance, and Former Mayor Don Hackney, Jim Stephens, Johnny Mallory and his staff for helping to obtain this grant. Councilmember Sanford moved to approve the resolution authorizing the City Manager to execute the advance funding agreement for the City's transportation enhancement project. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER AUTHORIZING GARY R. TRAYLOR & ASSOCIATES TO PROCEED WITH PROCUREMENT FOR PROJECT ENGINEERING AND GRANT ADMINISTRATION SERVICES FOR THE CITY'S ENHANCEMENT PROJECT THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION – Councilmember Hutcherson made the motion to authorize Gary Traylor Associates to proceed with procurement for project engineering and grant administration services for the City's enhancement project. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION AUTHORIZING EXEMPTION ON TRAVEL TRAILERS FROM AD VALOREM TAXATION – Mr. Mallory explained the resolution was requested by the appraisal district, whose understanding it was that the legislature would change the taxation laws exempting travel trailers in its next session. Councilmember Hutcherson moved to approve the resolution authorizing exemption on travel trailers from ad valorem taxation. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FOR AUDIENCE WITH CITY COUNCIL BY LYNN ETHERIDGE AND LUCIA DEEN FOR THE DEVELOPMENT OF A COMPREHENSIVE ZONING PLAN – This item was taken off the agenda at the request of Lynn Etheridge and Lucia Deen.

DISCUSS AND CONSIDER REQUEST FROM MARK MASSEY FOR WATER TAP OUTSIDE CITY LIMITS AT 28070 HIGHWAY 64 WEST – Mr. Mallory asked that this request be denied because it was located in an area where a small water line was serving too many customers. Councilmember Sanford moved to deny the request. Councilmember Pruitt seconded, and all were in favor.

DISCUSS AND CONSIDER REQUEST FROM NORMA SWAN FOR WATER TAP OUTSIDE CITY LIMITS AT 1733 VZ CR 2205 – Mr. Mallory indicated there was a six inch water line in front of the house and there were no objections to granting this request. Councilmember Hutcherson moved to grant the request from Norma Swan for a water tap at 1733 VZ CR 2205. Councilmember Pruitt seconded, and all voted in favor.

SECOND PUBLIC HEARING ON ANNEXATION OF THREE TRACTS LOCATED ON INTERSTATE 20 OWNED BY BILLY JACK DEEN – Mayor Hilliard opened the public hearing at 6:47 p.m. and closed at 6:48 p.m. without receiving any comments from Council or audience.

SECOND PUBLIC HEARING ON ANNEXATION OF A 3.49 ACRE TRACT LOCATED ON ETHERIDGE ROAD OWNED BY HORACE AND WANDA ETHERIDGE - Mayor Hilliard opened the public hearing at 6:48 p.m. and closed at 6:49 p.m. with no comments presented.

DISCUSS AND CONSIDER APPROVAL OF PURCHASE OF SPECTROMETER – Mr. Mallory explained cities were now required to run extra tests at the water plants, some of which were for organic carbons and trihalomethanes. He said cost of the spectrometer at \$4,000 was \$500 more than what was budgeted. Councilmember Sanford approved the purchase of a spectrometer from Halk Co. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER SCHEDULING CITY-WIDE CLEAN-UP DAY – Mr. Mallory requested the Clean-up be held May 10-11 and that instead of picking up at curbside, residents be asked to bring their items to dumpsters located at the Utility Service Center. Residents showing their water bill would be allowed to dump any items other than tires, batteries, paint and appliances with compressors. He explained that last year the pick-up took ten to fifteen days and the City did not have the manpower nor the equipment. Councilmember Sanford requested extended hours for drop-offs, then moved to hold the city-wide clean up on May 10-11 as suggested by Mr. Mallory. Councilmember Pruitt seconded, and all voted in favor. Mayor Hilliard expressed his concern for residents who may not have a vehicle to carry large items. He asked the City try to get a service organization involved.

DISCUSS AND CONSIDER SITE FOR CANTON VOLUNTEER FIRE DEPARTMENT TRAINING FIELD – Brian McNeven said fourteen members of the fire department were embarking on a 468-hour training program in order to test to become state certified fire fighters. The academy included 80% classroom and 20% skills. He asked the Council for five acres of land at the end of Arnold Paul Rd. to be developed (at no cost to the city) into a training field by the fire department. He said Mr. Shaw was donating two mobile homes, Mr. Moffitt was donating the structural framework for a permanent burn building, and the trusses could be purchased at half-price at a cost of \$1600 to be paid by the firefighters association. He also said TXI might donate the concrete for the building slab in their next budget. He predicted that as the program progressed, other departments would want to rent and utilize the facilities. Chief McNeven reported the land was mostly cleared, but they would need to clear some and level the ground. He said the only permanent structure would be the fire building on a concrete slab, and they

would pump propane into it. When asked, he indicated they would draft water from the lake for their exercises. Mr. Mallory registered no objection. Mayor Hilliard appointed a committee of he and Ron Sanford to locate a site for the training field, which he recommended be located closer to the maintenance barn. Councilmember Sanford moved to approve the fire department's request for five acres of land off Arnold Paul Rd. to be developed for a training field. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER IMPROVEMENTS TO FIRST MONDAY PARK INCLUDING EXTENSION OF TRADE CENTER III- Councilmember Pruitt reminded the Council they had previously considered extending Trade Center III at a cost of \$108,000. He said he felt it was time to let dealers know of the City's intention and to get started. He said the current rental income of \$900 would increase to approximately \$3,000, paying for the cost of expansion. Councilmember Pruitt moved to start the project to extend Trade Center III. Councilmember Sanford seconded, and all voted in favor. Mayor Hilliard noted he would like to do something different than the other buildings.

DISCUSS AND CONSIDER ADVERTISING FOR BIDS ON THE RENTAL OF THE CANTON CIVIC CENTER CONCESSION KITCHEN – Councilmember Pruitt reported he had some other concessionaires express interest in leasing the civic center kitchen. He said the current lessee did not have a contract. Councilmember Pruitt then moved to notify the present vendor and put the lease on the civic center kitchen up for bid effective September 1. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER FIVE-YEAR PLAN – The item was tabled upon Mr. Mallory's request it be discussed at the next meeting when Councilmember Roberts could be present. He reported the engineering study had not yet been received.

EXECUTIVE SESSION FOR CONSULTATION WITH ATTORNEY REGARDING W & W LAND COMPANY VS. CITY OF CANTON, ET AL (Section 551.071) - The Council convened in Executive Session at 7:05 p.m. to consult with attorneys regarding W & W Land Company vs. City of Canton, et al.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened to Open Session at 7:58 p.m. with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Councilmember Pruitt requested the water and sewer rates be discussed at the next meeting.

ADJOURN – There being no further business to come before the Council, Councilmember Sanford moved to adjourn at 7:56 p.m. Councilmember Hutcherson seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, MAY 21, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard.

INVOCATION was given by Jim Stephens.

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

OATH OF OFFICE ADMINISTERED TO ELECTED COUNCIL MEMBERS - Municipal Judge Lilia Durham administered the oath of office to re-elected councilmembers Beverly Hutcherson, Raymond Pruitt, Tommy Roberts.

APPOINTMENT OF MAYOR PRO TEM BY CITY COUNCIL - Councilmember Sanford moved to appoint Raymond Pruitt as Mayor Pro Tem. Councilmember Hutcherson seconded, and all voted in favor.

Councilmember Roberts recommended the appointment of Beverly Hutcherson as recording secretary for the City Council, and he requested it be placed on the next agenda.

GUEST ITEMS - Elisa Heard, 812 Water Oak, Canton, Texas, asked the Council not to abandon Brentwood Circle in the Tanglewood Addition, as was requested by Mr. and Mrs. Bob Moore. She explained that Tanglewood Addition was a platted subdivision and Brentwood Circle provided access to three property owners on the south end of the undeveloped street. Councilmember Roberts noted that a quit claim deed had been granted to the property owners on the west side of Brentwood Circle in 1988. Mrs. Heard was informed that the property owners rescinded their request, and she asked the Council to vote against such a request if it were to be brought before them in the future. She explained her use of the right of way to reach her property for mowing and recreation, and the problem created by one of the property owners at College Street who occasionally erects barricades and "no trespassing" signs. Mayor Hilliard instructed her to call City Hall to consult with management if this should reoccur. If she, then, did not get a satisfactory resolution, then she should do whatever she felt necessary.

Richard Huston, 19050 FM 17, Canton, Texas, registered a complaint against Cory-Davis Marketing for the disruption of water service on "The Mountain" at Old Mill Marketplace (OMM). He said they had an agreement four years ago that OMM would furnish them water if they put in the water lines to their business. He further stated the lack of water created health and fire hazards and he asked the Council to create new laws so individuals on "The Mountain" could have their own meters.

Debbie Davis, President of Cory-Davis Marketing, owners of "The Mountain", said "The Mountain" was part of First Monday Trade Days and all vendors had written agreements stating there would be no residency on "The Mountain." She said the meter was in her name and she pays for the water, which she only felt obligated to supply during the week of First Monday. She said she was unaware of a verbal agreement regarding provision of water. She also said she would be happy for the dealers to have their own meters. Ms. Davis reporting having checked on regulations for reselling water and she did not want to be in that business.

Tony Dunlap, 806 Calvin Drive, Garland, Texas, read an excerpt from a letter sent to him by Mrs. Davis. He said they had an agreement four years prior for the dealers to install water and sewer lines at their own labor and cost on the basis that OMM would supply the water. He said the dealers owned the lines and Mrs. Davis put in the meters. He further charged that employees of Cory-Davis Marketing went to the Canton Branch of the Universal Life Church and threatened they would be shot. He noted the Church had since closed and the incident was reported to the FBI. Mr. Dunlap requested a hearing on a complaint against the local police who, they alleged, did not act on the arson and closure of the church. Debbie Davis informed the Council that Mr. Dunlap's lease had been canceled by her company and they were now involved in litigation. She pointed out that First Monday guidelines were not set up to include practicing churches. She also remarked that she knew nothing about a shooting threat. Mr. Dunlap said he thought freedom of religion was something that could not be stifled and he had a tape recording of the threat. He said it was now in the hands of the FBI and Canton Police. Mayor Hilliard asked speakers to limit their discussion to the water issue.

Flo Pickett, P.O. Box 847, Canton, Texas, told the Council she was very concerned about the water problem on "The Mountain." She said she had no problem paying for the water in order to end the controversy. She explained they were building an art school and that she had permission to operate it.

Ed Pickett, P.O. Box 847, Canton, Texas, mentioned the 8-foot "hate" fence that Ms. Davis erected at the bottom of "The Mountain" to close out a business. He asked that something be done to eliminate the harassment. Councilmember Roberts informed Mr. Pickett there was nothing the city could do about a civil matter.

Chuck Twobears, AV6, Hwy. 17, introduced himself as the business owner of Wahala Trading Company and a web design business. He said the water problem was destroying the businesses at the top of "The Mountain." He further stated that there appeared to be a trend of threats and intimidation. He said he would be more than happy to pay for his own water. He pleaded for the water controversy to end. Debbie Davis pointed out that Mr. Twobears was on property that did not belong to OMM and she did not feel obligated to provide him with water. She said he was renting the building from the Pickets and he had just hooked into her water.

John Staten, 2406 N. Trade Days Blvd., manager of the Holiday Inn Express, told Councilmembers that participants of the Mothers Day Run were all very nice people which he would welcome back to his facility. He thanked the Council for bringing such events to town and asked that they continue to do so. He said the people attending the motorcycle rallies filled the hotels, restaurants, gas stations and businesses and made an economic impact on our community. Councilmember Pruitt also noted that the City liked the hotel/motel tax that was generated also.

Jack Rooney, Highway 17, Canton, Texas, said that Chuck Twobears was his son and he had written permission to tap into Mrs. Davis' water. He stated Mr. Twobears had a manufacturing

business and that extortion was going on. He said he thought the Council was not doing their job and he hoped that he stayed in town long enough to see that fairness prevailed.

Mayor Hilliard asked Debbie Davis and the other parties to try to settle the civil issue in mediation quickly because it negatively impacted the entire community. He said the City was here to serve Ms. Davis and the other folks alike. Ms. Davis requested more information on being able to meter, to which Mayor Hilliard replied the City staff would be available to her. Mr. Rooney suggested the dealers make a deposit on the water until such time the issue could be resolved. Mr. Hilliard informed him that would be between he and Mrs. Davis.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM APRIL 9, AND APRIL 16, 2002 MEETINGS OF THE CANTON CITY COUNCIL – Councilmember Sanford moved to approve the minutes of the April 9 and April 16, 2002 meetings of the Canton City Council. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE APRIL 2002 FINANCIAL STATEMENTS – Councilmember Pruitt moved to approve the April 2002 Financial Statements as presented. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER PYROTECHNICS PERMIT FOR A CIVIL WAR SKIRMISH ON THE MOUNTAIN AT OLD MILL MARKETPLACE ON JUNE 1, 2002 – Johnny Mallory informed the Council he had a letter from the Canton Fire Marshall approving their site plan. Fire Chief Brian McNevin said he went to their demonstration and all was in order. Councilmember Sanford requested the City be supplied with a certificate of insurance and Chief McNevin said he would get it. Councilmember Sanford moved to grant a pyrotechnics permit for the civil war skirmish on “The Mountain” at Old Mill Marketplace on June 1, 2002. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM MILTON PORTER FOR WATER AND SEWER TAPS OUTSIDE CITY LIMITS AT 156 PR 6050 – Mr. Mallory reported that Mr. Porter, located in the Wynne Community, was requesting water and sewer taps and that he be allowed to pay in three to four installments. Mr. Mallory said both water and sewer were available and the cost would be \$1600--800 for each tap. Raymond Pruitt made the motion to approve the water and sewer taps at 156 PR 6050, with the provision that two payments be made prior to installation and the other two after. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF THREE TRACTS LOCATED ON INTERSTATE 20 OWNED BY BILLY JACK DEEN – Councilmember Wilson asked how close a city water line was to the area. Mr. Mallory said the property was in another certified water district and we were not obligated nor could we serve it. Councilmember Sanford moved to adopt Ordinance No. 2002-04 annexing a 0.23 acre tract, a 0.22 acre tract, and a 0.23 acre tract located on the north side of Interstate 20 owned by Billy Jack Deen. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE ON ANNEXATION OF A 3.49 ACRE TRACT LOCATED ON ETHERIDGE ROAD OWNED BY HORACE AND WANDA ETHERIDGE – Councilmember Pruitt moved to adopt Ordinance No. 2002-05 annexing a 3.49 acre tract located on Etheridge Road owned by Horace and Wanda Etheridge. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ANY CHANGES NECESSARY TO FIRST MONDAY OPERATIONS AND POLICIES – Mayor Hilliard tabled the item until the next meeting due to time constraints.

PROGRESS REPORT ON PUBLIC SWIMMING POOL GRANT – Mayor Hilliard said he understood efforts were being made and he tabled the item.

DISCUSS AND CONSIDER ADOPTION OF ANY CHANGES TO PERSONNEL POLICIES AND HANDBOOK – Mayor Hilliard tabled the item.

DISCUSS FOR FUTURE CONSIDERATION THE HOUSING OF THE CANTON CHAMBER OF COMMERCE – Mayor Hilliard said he understood that the Chamber was looking for a site downtown. He suggested the Council consider offering them in space in City offices. Councilmember Wilson was not opposed, but he asked how much area they would need. Mayor Hilliard asked Al Campbell and Jim Stephens to talk to the Chamber to find out what they would need and what they could pay. He said if the City had room for them, they should consider housing with the City.

DISCUSS AND CONSIDER REQUIRING ALL UTILITY COMPANIES TO ESTABLISH BUSINESS OFFICES IN THE CITY OF CANTON – Mayor Hilliard pointed out the amount of dollars a utility company turns, and that one of the most common complaints is the lack of ready response. He said he would like to require the utility companies serving Canton to have a business office in town so that the citizens would have local place to pay their bills or to call upon if they needed service. Councilman Roberts said requiring this was impossible. He mentioned the Shell Station was a local payment center and because the response personnel are local, the response time would be the same. Mayor Hilliard said he thought the City had a right to request a local office when the franchise was re-negotiated. Councilmember Pruitt recommended a committee of the Mayor and Johnny Mallory work on this issue. Councilmember Wilson said there were no franchise rights anymore.

DISCUSS AND CONSIDER APPOINTMENT TO BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION -- Councilmember Pruitt moved that the Council refuse Al Campbell's resignation. Councilmember Sanford seconded. Councilmember Roberts said he would also like to see Mr. Campbell stay on the Board. He asked that this and the next two items be tabled until a later meeting because he was not aware that the positions needed to be filled and he wanted time for the Councilmembers to consider appropriate appointments.

DISCUSS AND CONSIDER APPOINTMENTS TO PLANNING AND ZONING COMMISSION – Tabled at the request of Councilmember Roberts.

DISCUSS AND CONSIDER APPOINTMENTS TO BOARD OF ADJUSTMENT – Tabled at the request of Councilmember Roberts.

DISCUSS AND CONSIDER PAYMENT TO TRAYLOR ASSOCIATES INCORPORATED FOR SIDEWALK GRANT APPLICATION PREPARATION – Mr. Mallory informed the Council he had received a bill for \$27,625 for the preparation of the sidewalk grant application which was not in the budget. He said it was his understanding that it would be paid out of the grant, but it cannot. Jim Stephens noted that was his earlier impression also, but the City may be able to take it out at the end of the grant if some funds remain. He also pointed out that if the City hadn't received the grant, then Traylor Associates would have received nothing.

Councilmember Roberts approved the payment of \$27,625.00 to Traylor Associates. Councilmember Sanford seconded, and all were in favor.

DISCUSS AND CONSIDER APPROVAL OF INTERLOCAL AGREEMENT REGARDING JURISDICTION OF SUBDIVISION PLATS IN THE EXTRATERRITORIAL JURISDICTION – Mr. Mallory reported that during the last legislative session, a house bill was passed making it mandatory that either the county or city be designated to regulate subdivisions in the ETJ. He said the City felt it could regulate in the ETJ, an area ½ mile outside City limits. Councilmember Sanford moved to approve the Interlocal Agreement regarding jurisdiction of subdivision plats in the ETJ. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER ABANDONMENT OF BRENTWOOD CIRCLE/BRENTWOOD DRIVE IN TANGLEWOOD ADDITION AND GRANTING QUIT CLAIM – Mayor Hilliard said the request had been rescinded by the owner. Councilmember Roberts stated he didn't see how it could ever be closed. Councilmember Pruitt asked what could be done about the barricades. Mr. Mallory said the City could stop them from barricading the right of way and he would work with the property owner to bring it to a peaceful resolution. Mr. Grimes, an adjoining property owner was in the audience and he told the Council they did not want to be landlocked.

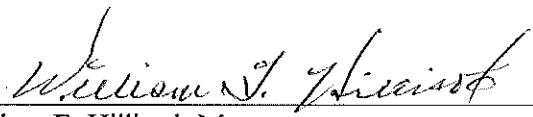
SIXTY-DAY REVIEW OF NORTH SIDE FIRE STATION – Fire Chief Brian McNevin said the north side fire station had been a very productive venture and members from the station had participated in every drill and fundraiser. He said the firefighters association had sent people to three area schools and the north side firefighters had paid for one school out of their own pockets. He also mentioned the north side firefighters always responded to calls. Councilmember Roberts said he had no complaints. Councilmember Pruitt complimented the north side firefighters for their participation in the CVFD fish fry.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS – POLICE DEPARTMENT AND ADMINISTRATIVE ISSUES (Section 551.074) - The Council convened in Executive Session at 7:24 p.m. to discuss personnel matters in the police department and administration.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened to Open Session at 7:37 p.m. with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None other than those already mentioned earlier.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 7:37 p.m. Councilmember Sanford seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
 8:30 A.M., SATURDAY, JUNE 1, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, and Raymond Pruitt. Councilmember Beverly Hutcherson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 8:30 a.m. and declared that a quorum was present.

Johnny Mallory informed the council he would seek funds from the Canton Economic Development Corporation to pay Gary Traylor's fees for preparing the sidewalk grant application.

DISCUSS AND CONSIDER APPOINTMENT OF RECORDING SECRETARY FOR CITY COUNCIL - Councilmember Roberts moved to appoint Beverly Hutcherson recording secretary for the Council. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER WATER AND WASTEWATER PLANT EXPANSION STUDY - Councilmember Pruitt asked that this and the next item be addressed later in the meeting.

DISCUSS AND CONSIDER WATER AND WASTEWATER RATES

DISCUSS AND CONSIDER ADOPTION OF ANY CHANGES NECESSARY TO FIRST MONDAY OPERATIONS AND POLICIES - Mayor Hilliard tabled the item until the next meeting.

DISCUSS AND CONSIDER ADOPTION OF ANY CHANGES TO PERSONNEL POLICIES AND HANDBOOK - Mayor Hilliard tabled the item until the next meeting.

DISCUSS AND CONSIDER NOMINEES FOR BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION - Mayor Hilliard asked councilmembers to compile a list of nominees. Councilmember Pruitt stated he would like to see Al Campbell serve out the remainder of his term. The item was tabled to a later date.

DISCUSS AND CONSIDER NOMINEES FOR PLANNING AND ZONING COMMISSION - Councilmembers were asked to compile a list of nominees for future consideration. Councilmember Roberts said he understood Lucia Deen and Lynn Etheridge were willing to serve another term.

DISCUSS AND CONSIDER NOMINEES FOR BOARD OF ADJUSTMENT - Councilmembers were asked to compile a list of nominees for future consideration.

DISCUSS AND CONSIDER WATER AND WASTEWATER PLANT EXPANSION STUDY - Johnny Mallory presented the plant expansion study results from Wisenbaker, Fix & Associates. Cost estimates were considerably higher than previously thought. Mr. Mallory recommended lowering project expenses to a level the city could effectively manage--\$3,000,000 (\$1,000,000 each on water, sewer and streets.) He recommended the water plant be renovated instead of building a coinciding water plant that would double production to 4,000,000 gallons per day. He

said while the engineers' proposed expansion would meet the City's needs for the next twenty years, renovations would enable the plant to meet state requirements for the next five to six years. He also pointed out that the current average use is 800,000 gallons per day, the plant is capable of producing 2,000,000 gallons per day, and at 200,000 gallons per acre, the lake would not support a 4,000,000 gallon per day facility. He recommended dredging the lake, building a new storage tank at \$500,000, renovating the old tank at a cost of \$75,000-\$80,000, and installing a new disinfection system. He described two alternative systems--one using ammonia, the other using chlorine dioxide.

Mr. Mallory reported the engineer's projected expense of \$1,204,000 to increase the wastewater treatment facility production to 1.3 million gallons per day, which he felt could be done for \$1,000,000. He noted additional problems with drying sludge, piping, clarifiers and infiltration, all of which needed to be corrected.

Mr. Mallory said he met twice with the engineers studying different scenarios that would meet the City's needs and incur less debt. Councilmember Roberts asked Mr. Mallory to meet with the engineers again to review his proposal and to determine what the City will be faced with after five to six years. Mr. Mallory said he would also discuss a membrane filtration system and ways to improve taste at his next meeting with engineers. Councilmember Wilson stated that if the taste could not be improved, the City needed to look at how the water is treated. Mr. Mallory noted that a membrane filter would remove most of the bad taste in the water, but it was seven times as costly to maintain. In answer to Mayor Hilliard's question, Mr. Mallory said all types of pre-treatments had been tried at the plant. Mayor Hilliard recommended looking into drilling wells at the Waldon or Ben Wheeler area, because well water required less treatment. Councilmember Pruitt suggested drilling in the area near the tree farm on Highway 19. Mr. Mallory said he would like to drill test holes and each test would cost \$50,000 - \$60,000.

Mr. Mallory established as priorities, increasing capacity at the wastewater treatment facility to bring it into compliance with TNRCC regulations, and building the storage tank at the water plant. He said the goal at the wastewater treatment facility was to increase capacity, add one clarifier, change out rotors, add more pretreatment, automate the cleaning of bar screens, and repair/replace the pipe system as needed. He said these changes would increase the efficiency of the plant and should be sufficient for the next twenty years. The plant was built in 1986 and renovated eight years ago to increase capacity to 900,000 gallons per day. He stated that additional requirements would need to be satisfied in a plant with a capacity over 1,000,000 gallons per day. Councilmembers discussed the problem of infiltration. Mr. Mallory said the City had smoke-tested 124 lines and still had 85 remaining. He also suggested using the plant's effluent water for plant operations rather than using potable water, which would further reduce capacity by 100,000 gallons a month.

DISCUSS AND CONSIDER WATER AND WASTEWATER RATES – Johnny Mallory stated he was sure the cost of the expansion bond would be \$3,000,000. Councilmembers discussed current bond retirement. The first bond to retire is the \$1,000,000 1992 series which funded construction of the civic center, water tower and line improvements. This bond will retire in 2007. The sewer treatment bond issuance from 1994 will retire in 2012. The street improvement bond issuance from 1995 will retire in 2013. Mr. Mallory recommended the new bond issuance not exceed 15 years, if possible. He said the current amortization schedule took into account that payments would increase to the outstanding bonds as each one is retired, so the total bond payments would increase by \$250,000 a year if a \$3,000,000 series were issued. Mr. Mallory also

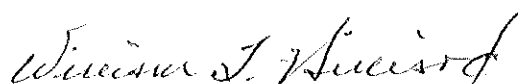
noted the City would only make interest payments the first year, and principal payments would begin in the second year. Councilmember Sanford asked Mr. Mallory to provide the council with 10-, 15- and 20-year pay-out schedules.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – ADMINISTRATIVE ISSUES – The council convened in Executive Session at 9:12 a.m. to discuss personnel issues in administration.


RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in Open Session at 10:44 a.m. with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 10:45 a.m. Councilmember Sanford seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P.M., TUESDAY, JUNE 18, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson Tommy Roberts, Ron Sanford, and Raymond Pruitt. Councilmember Beverly Hutcherson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard.

INVOCATION was given by Jim Stephens.

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

GUEST ITEMS – None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM MAY 21, 2002 MEETING OF THE CANTON CITY COUNCIL – Councilmember Sanford moved to approve the minutes from the May 21, 2002 Meeting of the Canton City Council as written. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE MAY 2002 FINANCIAL STATEMENTS – Councilmember Pruitt moved to approve the May 2002 Financial Statements as presented. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM JANICE WELOCK FOR WATER TAP OUTSIDE CITY LIMITS – Public works director, Pete Lucas, told councilmembers he could not determine the exact location for the water tap. It was supposed to have been staked by the owner, but was not. He said if it was the building without a meter on Old Kaufman Road, water was available. If it was more than 250 feet beyond the building, water was not available. Councilmember Sanford moved to approve a water tap for Janice Welock outside the city limits if it were no further than 250 feet past the building without a meter. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM THE FIRST UNITED METHODIST CHURCH FOR MULBERRY STREET IMPROVEMENTS – There being no one in attendance to present the church's request, the item was dropped.

DISCUSS AND CONSIDER APPOINTMENT TO BOARD OF DIRECTORS OF THE CANTON ECONOMIC DEVELOPMENT CORPORATION – Councilmember Pruitt moved to refuse Al Campbell's resignation. Mayor Hilliard said Mr. Campbell was willing to remain on the board.

DISCUSS AND CONSIDER APPOINTMENTS TO THE PLANNING AND ZONING COMMISSION – Councilmember Pruitt nominated Kelton Drewery and Councilmember Wilson nominated Elisa Heard to fill two vacancies on the commission. Councilmember Pruitt moved to reappoint Lynn Etheridge, Lucia Deen and Clifford Caviness for a two-year term, and to newly appoint Kelton Drewery and Elisa Heard to complete the terms of resigning members Jimmy Boroughs and Tommy Eubanks on the Planning and Zoning Commission. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPOINTMENTS TO THE BOARD OF ADJUSTMENT – Councilmember Pruitt moved to reappoint Alton Smith and Harry Minton to serve a two-year term on the Board of Adjustment, and to appoint Kirk Wilkerson to the Board and Dan McLemore as alternate for a two-year term. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER JULY 4TH FIREWORKS EVENT AND CLOSING OF PORTIONS OF TYLER, BUFFALO, CAPITAL AND MAIN STREETS FOR JULY 4TH PARADE AND DOWNTOWN FESTIVAL – Julie Jackson informed Councilmembers of the plans for the July 4th fireworks display, parade and street festival. Mayor Hilliard requested that representatives from both political parties be notified of the parade. Councilmember Pruitt moved to close portions of Tyler, Buffalo, Capital and Main Streets for the July 4th parade. Councilmember Roberts seconded, and all voted in favor.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – Councilmember Roberts asked that the animal shelter be placed on the next agenda. He said he'd

like to find out the amount of disposed animals and if Canton Veterinary Clinic was being billed for their disposals. Julie Jackson informed the Council that Kenneth Pruitt would like to discuss and comprehensive zoning plan at the next called meeting because he was unable to attend on the regular meeting night.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 6:42 p.m. Councilmember Sanford seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P.M., TUESDAY, JULY 16, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard.

INVOCATION was given by Jim Stephens.

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

GUEST ITEMS – None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM JUNE 1, AND JUNE 18, 2002 MEETINGS OF THE CANTON CITY COUNCIL – Councilmember Pruitt moved to approve the minutes from the June 1, and June 18, 2002 Meetings of the Canton City Council as written. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE JUNE 2002 FINANCIAL STATEMENTS – Councilmember Sanford moved to approve the June 2002 Financial Statements as presented. Councilmember Wilson seconded, and all voted in favor.

UPDATE FROM CANTON CHAMBER OF COMMERCE – Chamber President Joe Collins told the Council how much the hotel/motel tax revenues were appreciated by the Chamber,

describing the funds as essential to their operations. He presented the slate of officers and directors, and described the members and duties of the tourism committee. He noted past accomplishments and current activities including: having been instrumental in expanding the local dialing area and in bringing internet service to Van Zandt County; having organized the first Van Zandt County day at the legislature; participating in the Keep America Beautiful campaign; being very active in several tourism organizations; being very active in the trade show circuit hitting Houston, Dallas and Fort Worth markets annually; creating an informative web site promoting Canton and the area; welcoming guests to the Civic Center; holding business after hours meetings, ribbon cuttings, and an annual banquet/auction; working with the Heart of Canton Main Street to co-promote shop canton first and the downtown activities; awarding two annual scholarships to Canton seniors; and currently helping to organize a tree festival for Canton. He said the tourism committee makes the decisions on the expenditure of their tourism account funded by the hotel/motel tax, and those decisions are approved by the board. He pointed out that a report on the tourism account activity was included in the monthly Council packets. Mr. Collins said their daily operations included heavy phone activity, with 90% of the calls related to First Monday. Answering Councilmember Wilson's question about how often the chamber met, Mr. Collins said the chamber board met once a month, committees met as needed, the chamber held Business After Hours meetings in the Fall/Winter, and they promoted and attended ribbon cuttings at new businesses and open house events. He described the chamber's new location as offering greater visibility that should prompt more walk-in visits. Councilmember Wilson said he didn't see the chamber involved in the July 4th events. Mr. Collins said he attended and took pictures for the website, but now that the chamber office was in the downtown area, they were looking forward to being a larger part of the downtown events. Councilmember Pruitt inquired about the Chamber's membership. Mr. Collins reported having 246 members, up from around 80 members when he began with the chamber, and with the following dues structure: \$120 for basic, \$150 for businesses with gross revenues over \$250,000, \$300 for new car dealers, and \$750 for banks. In answer to Councilmember Pruitt's question about the checks written from the tourism account to the chamber, Mr. Collins cited a survey which determined that 90% of the chamber's activities were tourism-related which qualified it for the hotel/motel tax. He conservatively allocated 62% of the hotel/motel tax revenues for chamber operations, with the remainder being left in the tourism account for trade shows, advertising, etc. In a discussion of the trade shows, Councilmember Wilson mentioned San Antonio as a potential market and Joe Collins added Oklahoma and Shreveport to that list adding that they would enter these markets as funds become available. Councilmember Wilson requested regular updates from the chamber and notification in writing when they would be attending shows. Mr. Collins told the Council their next show would be August 24-25 at Market Hall in Dallas. Councilmember Pruitt asked how the videotape was received at trade shows. Mr. Collins replied their display was great, they always rented a corner booth and ran the video, they attracted a lot of attention for information, but people weren't really stopping to watch the video.

UPDATE FROM CANTON MAIN STREET PROJECT – Jim Stephens expressed his appreciation for Joe Collins, Linda Royal and the chamber, stating their operations complemented his work with the Main Street Program and they were a great asset to the community. He reported that Main Street had been in operation for eighteen months during which time they renovated eight buildings, with four more scheduled this year, and that \$125,000 - \$175,000 had been reinvested into the businesses. He stated one of his ten criteria for success was personal involvement, and there were 150 people involved in Main Street. Other accomplishments

included: being named a National Main Street City; organizing the Heart of Canton organization whose activities include hosting the July 4th parade and downtown festival; organizing the Plaza Museum project which now had a strong museum board; receiving the \$775,000 sidewalk grant from the Texas Department of Transportation on which they were currently working with engineers; hosting an annual Autumn Stroll progressive dinner promoting the Main Street involving 300 members of the community; organizing an adult education program; participating in the Regional East Texas Tourism Council with five other counties and the Texas Lake Heritage Trail; and organizing a Shop Canton First campaign. He added that he also worked closely with the Canton Economic Development Corporation and First Monday marketing. Councilmember Wilson asked Mr. Stephens to see if a sign could be added to the city limits signs denoting Canton as a Main Street City. Upon Mayor Hilliard's inquiry, Mr. Stephens said Wal-Mart and retailers located outside downtown supported the Heart of Canton and the Shop Canton First campaign.

DISCUSS AND CONSIDER REQUEST FROM HELLA SHRINE TEMPLE HOSPITAL DRIVE FOR AUTHORIZATION TO CONDUCT ON-STREET SOLICITATION AT THE INTERSECTION OF HIGHWAY 64 AND BUFFALO STREET ON AUGUST 30 AND 31 AND SEPTEMBER 1, 2002 – Councilmember Hutcherson moved to authorize Hella Shrine Temple Hospital Drive to conduct an on-street solicitation at the intersection of Highway 64 and Buffalo Street on August 30 and 31, and September 1, 2002. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM EAST TEXAS CRISIS CENTER FOR ASSISTANCE WITH DISPOSAL OF UNWANTED ITEMS – Lana Peacock, executive director of the East Texas Crisis Center explained that her non-profit center served five cities providing assistance to victims of family violence. She said they also opened a resale store. She described the problems they were experiencing with people dumping unwanted items and garbage outside their building on the weekends. She said they do need donations, but they should be checked in during business hours. She pointed out that “no dumping” signs and police patrols had not helped. Ms. Peacock asked the City to pickup and dispose of the refuse once a week. Mayor Hilliard and Mr. Mallory informed her that the City did not have access to a dumpsite; it operated a transfer station, then had to pay to have the garbage hauled off. Councilmember Roberts said he understood they were nonprofit, and he suggested the City try extra patrolling on the weekends and stopping/citing any offenders. Ms. Peacock was asked if the area could be fenced off, but she said it was used for parking. Councilmember Pruitt stated he felt the City needed to help clean it up. Councilmember Wilson suggested the City assist as needed, but not every week. Mayor Hilliard informed Ms. Peacock the City would try to assist her as needed, but if it got too expensive, we would have to talk about sharing the costs.

DISCUSS AND CONSIDER REQUEST FROM J.H. WINDHAM FOR WATER TAP OUTSIDE CITY LIMITS – Mr. Windham requested a 6” line to his property on Highway 64 by Red Hill on which he planned to develop three houses. Pete Lucas said a 2” looped line ran down VZCR 4119 and Mr. Mallory pointed out it would support three houses. Councilmember Wilson moved to approve Mr. Windham's request for a 2” water tap on VZ CR 4119, with permission for only three connections. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER ANIMAL SHELTER OPERATIONS – Chief Hammonds informed the Council that a letter was sent July 10th to the veterinarian advising him he would be charged a fee for animal disposal at the animal shelter. He reported receiving \$672 in personal donations, \$3186 from other agencies, and \$2721 from other sources since January; taking in 810 animals

from other towns and 327 from private citizens; and euthenizing 673 animals. Councilmember Roberts said the animal shelter has room for sixteen animals plus another four to six in quarantine and bringing the shelter into compliance was a necessity. David Hammonds said some improvements had been made including fencing, upgrading electrical to code, cordoning off the incinerator, and painting. He said they shut down for renovations and had 12 dogs when the opened back up, but now have 40. He further stated the shelter needed more pens and an exercise yard right away, as well as upgrading to maintain the pens at a mandatory 55 to 80 degrees Fahrenheit by the end of 2003. Chief Hammonds pointed out they had room to expand at their current location, but he was concerned that concrete would crack over the area used for a landfill. Councilmember Roberts said a decision needed to be made during the current budgeting process. He also noted that the road needed to be fixed. Mayor Hilliard said the location was not handy to the citizens. Councilmembers discussed the possibility of moving the shelter to the lake area, but Chief Hammonds warned about finding a location where the constant barking would not disturb residents. Mayor Hilliard recommended this item be addressed during the budget workshops.

DISCUSS AND CONSIDER APPROVAL OF LEASE AGREEMENT FOR POLICE DEPARTMENT BUILDING LOCATED AT 400 SOUTH BUFFALO, CANTON, TEXAS – Mr. Mallory presented a three-year renewal lease which raised monthly payments from \$1908.00 to \$2000.00 effective October 1, 2002, with a renewal option at \$2,250 a month for three years. Councilmember Roberts pointed out that according to the lease, the City is responsible for upkeep and building maintenance. After determining that a new facility would probably not be built within the next three years, Councilmember Roberts moved to approve the lease agreement with Mt. Pisgah Land & Cattle Co., Inc. for the premises located at 400 S. Buffalo, Canton, Texas. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE INCREASING WATER AND WASTEWATER RATES – Johnny Mallory referred Councilmembers to the proposed ordinance. Councilmember Roberts said he wasn't ready to vote on the rate increase until he had something in writing on why the rate increase was needed, how much revenue it would generate, and a repay schedule for a \$3,000,000 bond issuance. He wanted to make sure the rate increase would pay for the bonds without having to raise water rates every year or two. Mr. Mallory said the City would have to spend \$2,000,000 on the water and wastewater treatment facilities to meet new TNRCC regulations and that the City was forced to raise rates to pay for it. A 15-year repayment schedule on the bond proposal and the estimated revenue was previously presented to the Council. Other councilmembers recommended the rate increase be adopted now so that it could be included in the proposed budget. Mr. Mallory outlined the proposed rate increase that would take effect October 1, 2002. He said the city had approximately 1700 meters and the average usage was 10,000 gallons. Councilmember Sanford moved to adopt Ordinance No. 2002-06 increasing water and sewer rates as follows: raising the minimum water rate for the first 1500 gallons to \$8.00 for residents inside the city limits and to \$15.00 for residents outside the city limits, and raising from \$2.50 to \$3.50 per thousand gallons over the first 1500 gallons; and raising the minimum sewer rate for the first 1500 gallons of water usage to \$7.00 for residents inside the city limits, leaving the rate at \$0.60 per thousand gallons over the first 1500 gallons, and setting a maximum sewer rate of \$17.00. Councilmember Wilson seconded. The motion passed with Councilmembers Sanford, Wilson, Pruitt and Hutcherson voted in favor, and Councilmember Roberts opposed.

DISCUSS AND CONSIDER RV PARKING AT THE FIRST MONDAY PARK BETWEEN FIRST MONDAY WEEKENDS – Councilmember Sanford recommended that vendors be banned from staying over in the RV park between First Mondays. He said the number is growing, they are only paying \$10 per night, and it has started to cause problems. Al Campbell recommended vendors be required to leave by Thursday following First Monday, and that he would make a recommendation at the next meeting on when to allow them into the park prior to First Monday. He further suggested the vendors be given thirty days advance notice and that he would start passing the word. The item was tabled until the next regular meeting.

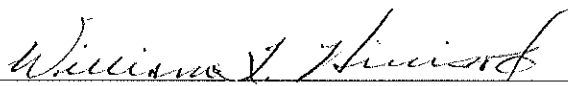
DISCUSS AND CONSIDER EXPANDING BUILDING AREA FOR STRUCTURES AT THE FIRST MONDAY PARK – Councilmember Sanford endorsed the request by some vendors to build structures on Row 94 (Dealer's Row). He said buildings attract customers and he recommended allowing structures on Row 94 west of the creek, and on the corner lots of Row 94 and adjacent rows. Mayor Hilliard requested the Council develop more uniform requirements on structures such as roof heights, etc. He also suggested the City may want to consider building the structures for them and recouping the cost from the vendor. Councilmember Sanford moved to expand the building area for structures at the First Monday Park to include Row 94 west of the creek, including any lots on adjacent streets that border Row 94 west of the creek. Councilmember Pruitt seconded, and all voted in favor. Councilmember Pruitt said he was worried about the vendor on Row 43A that poured a slab and wanted to build a building. He asked that it be talked about at the next meeting. It was also decided that specifications be developed for discussion at the next meeting.

DISCUSS AND CONSIDER ACCEPTING BIDS FROM POTENTIAL LESSEES TO DEVELOP ROW 11, BETWEEN ROWS 43A AND 94, OF THE FIRST MONDAY PARK – Councilmember Sanford suggested the City bid out the lease of a block of lots on Row 11 from the bridge at 43A north almost to row 94. He said very little of this area was rented and it was becoming a parking lot. He recommended taking bids on the section as a block both with and without the park area. Councilmember Roberts moved to authorize the advertisement for bids on the lease of a block of lots on Row 11 from 43A up to the buildings on Row 11 at Row 94 of the First Monday Park, including the park area and not including the park area, with the provision that the City reserve the right to reject all bids. Councilmember Pruitt seconded, and all voted in favor. Councilmember Roberts suggested the Council set a minimum bid.

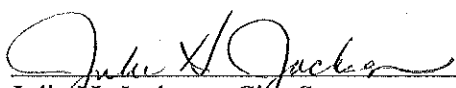
SCHEDULE BUDGET WORKSHOP – A budget workshop was scheduled for Wednesday, July 23, 2002 at 6:00 p.m.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn. Councilmember Sanford seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:00 P.M., TUESDAY, JULY 23, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Tommy Roberts, Ron Sanford, and Raymond Pruitt. Councilmember Rusty Wilson arrived at 6:18 p.m. Mayor William F. Hilliard and Councilmember Beverly Hutcherson were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Pro Tem Raymond Pruitt called the meeting to order at 6:00 p.m. and declared that a quorum was present.

DISCUSS AND CONSIDER REQUEST BY CANTON ECONOMIC DEVELOPMENT CORPORATION FOR A COMPREHENSIVE ZONING PLAN - The item was passed over while waiting for Kenneth Pruitt to arrive and present the request on behalf of Canton Economic Development Corporation (CEDC).

DISCUSS AND CONSIDER CONCRETE PAVING ON ROW 46 AT FIRST MONDAY PARK - Councilmembers Sanford and Pruitt recommended concrete paving on Row 46. Councilmember Sanford said they had a chance to purchase concrete at half price (\$17,500 total cost or \$4.00 per foot). He and Councilmember Pruitt voiced their opinion that the more concrete laid, the better it would be for the park. Councilmember Sanford described the area as being near Paul Michael's building on Row 46. Councilmember Pruitt added that Mr. Michael was going to put a building on one side of the row and someone else was planning to build on other side. Al Campbell verified there was currently enough room for two vehicles on the row and should still be after paving. Councilmember Pruitt said he spoke with Councilmember Wilson who was in favor of the project, but he had not yet talked with Councilmember Hutcherson. Councilmember Sanford moved to approve a \$17,500 expenditure to pour concrete paving on Row 46 at the First Monday Park. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST BY CANTON ECONOMIC DEVELOPMENT CORPORATION (CEDC) FOR A COMPREHENSIVE ZONING PLAN - In Kenneth Pruitt's absence, Councilmember Raymond Pruitt explained that the City Council worked with the East Texas Council of Governments in the 1970s to develop a comprehensive zoning plan, but the design fee was going to be \$30,000. He said CEDC was now requesting the plan be developed and they were willing to pay for it out of their funds. Johnny Mallory and Councilmember Pruitt agreed the plan should be developed. Councilmember Pruitt said the plan would specify recommended zoning for areas within and around the City limits to be used as a guide in determining zoning as the City continues to develop and spread out. He further stated the plan would have to go through the normal approval process. He also noted that Lynn Etheridge and the zoning commission had been requesting a comprehensive plan for quite some time. Councilmember Sanford moved to approve the development of a comprehensive zoning plan and

to request funds for the project from the Canton Economic Development Corporation. Councilmember Roberts seconded, and all voted in favor.

WORKSHOP FOR COUNCIL INPUT AND PLANNING PERTAINING TO BUDGET FOR 2002-2003 FISCAL YEAR – Councilmember Roberts recommended adding “250” account numbers in the budget for the animal shelter operations, separating it from the police department in order to track revenues and expenses more easily and to provide exact cost data to the county and citizens. He said this data after a year could be used to determine what action to take regarding expansion or reduction of animal shelter services and facilities. He then moved to establish “250” account numbers in the City’s operating budget for the animal shelter operations. Councilmember seconded, and all voted in favor.

City Manager Johnny Mallory pointed out the preliminary budget did not include revenues from the water and sewer rate increases, but the next draft would. He estimated the revenue projections to increase by \$200,000. He also clarified for Councilmember Roberts that revenues from the water and sewer rate increases could only be used for water and sewer expenses until the bonds were paid off. He said the revenues would go into the water and sewer funds and would be transferred to the debt service fund to pay for the bonds.

Councilmember Roberts suggested the city use the budget surplus to do something about the animal shelter. Al Campbell assured Councilmember Pruitt there was enough money in the First Monday capital expenditures account to pour concrete in the area where the pavilion was to be extended. Councilmember Pruitt stated he was hesitant to spend \$110,000 on the pavilion expansion right now, and thought the Council should consider pouring concrete between Trade Centers I and III this year to get it out of the water, then consider building something next year.

Councilmember Wilson arrived at 6:18 p.m. to join in the discussion and voting. City Manager Johnny Mallory was asked to confirm with Fire Chief Brian McNevin why the 300-1210 Communications account decreased. He will also reduce the 300-1520 Building & Grounds account to \$2,000 if Chief McNevin can’t justify a \$5,000 budget. Councilmembers discussed several other increases and reductions in the fire department accounts and Councilmember Pruitt recommended Councilmembers meet with Chief McNevin for clarification. Mr. Mallory did point out that the 300-1510 account included a laptop, bunker gear and SCPA; the 300-1110 account was mostly fuel; and the 300-1135 account included pager and radio batteries, association dues, and training.

Under Parks, Mr. Mallory explained that the 500-1535 account should read \$5,600; the 500-1210 expenses to date this fiscal year were low due to a delay in utility billing; and the 500-1315 account increased for upkeep on the Blackwell House since the Chamber moved. He also said he hoped the Museum Board would take over the Blackwell House. Councilmember Pruitt wanted some of the capital expenditure funds to be moved into the 500-1521 Museum account and he wanted to increase the 500-1530 account for improvements to the tennis courts. He said it would take \$30,000-\$35,000 to resurface the tennis courts, but he wasn’t even sure they could be resurfaced. He asked Al Campbell and Pete Lucas to look into renovation or replacement of the tennis courts, but no decision was made on either request. Mr. Mallory said the 500-1330 account provides for stocking the pond with rainbow trout, paying contract labor for upkeep, and dredging the boat ramp.

In the Police Department Fund, Mr. Mallory noted the 200-1060 account was for unemployment taxes; the 200-1020 account included a 3% raise; the 200-1150 account this fiscal year was over budget because the department bought push bars for patrol units, two vests, a hand-held walkie-talkie and ammo; the 200-1150 account for next fiscal year included the funds for new vests; the 200-1510 account included car payments; the 200-1540 account this year included \$3850 for a copier and \$3500 for a repeater; and the 200-1530 account provided for an air conditioning unit in the event it goes out, and concrete and a privacy fence for the animal shelter. It was decided to cut the 200-1130 account to \$14,000. Councilmember Roberts requested cameras for every vehicle budgeted in case grant money is not received, thus the 200-1540 account was increased to \$20,000. Councilmember Roberts also recommended a full-time employee in addition to Donald Wilhite at the animal shelter since he's often out on calls. Councilmember Pruitt did not agree and he asked Councilmembers Roberts and Wilson to work with Mr. Mallory to separate the police department and animal shelter accounts before the next meeting.

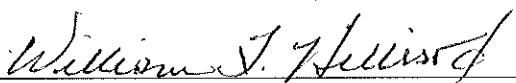
In the water accounts, Mr. Mallory verified that the 600-1190 account included radios and Aramark bills for mats, rags and aprons. He also said there may not be enough built into the 600-1220 Workers Comp account, and the 600-1270 account needs to be corrected to \$500. Mr. Mallory was asked to check the 600-1298 account which may need to be reduced to around \$320,000.

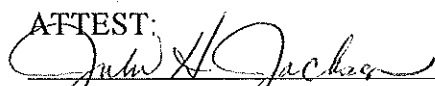
Regarding the sewer accounts, it was determined the 700-1344 budget was correct and current year expenses included rotors and a hydraulic pump. The 700-1170 account included the purchase of latex gloves, warning signs, oil, destroyer, etc. The Council agreed to reduce accounts 700-1120 to \$3,000; 700-1150 to \$20,000; 700-1160 to \$3,000; and 700-1320 to \$5,000. Mr. Mallory explained that the 700-1520 account included a John Deere backhoe. He further explained that work on manholes was not performed this year, but the 700-1510 budget was needed next year to line manholes and replace seals in almost every section of town, mostly around Highway 243 and Lazy U Drive.

Councilmembers discussed an accounting of unused portions of the budget and the use of the fund balance for extra expenses.

Caroline Edwards and six ladies representing the Van Zandt County Humane Society asked to attend the next meeting in support of the animal shelter. Chief David Hammonds also invited the ladies to meet with him and Donald Wilhite to add their suggestions on the animal shelter project. Councilmember Pruitt asked the ladies to rally support in the other Van Zandt County towns for subsidies from the commissioners' court.

ADJOURN – There being no further business to come before the Council, Councilmember Roberts moved to adjourn at 7:35 p.m. Councilmember Sanford seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:

Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, AUGUST 20, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME was given by William F. Hilliard.

INVOCATION was given by Jim Stephens.

PLEDGE OF ALLEGIANCE was led by Mayor Hilliard.

GUEST ITEMS – None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES FROM JULY 16, JULY 18, AND JULY 23, 2002 MEETINGS OF THE CANTON CITY COUNCIL – Councilmember Sanford moved to approve the minutes from the July 16, July 18, and July 23, 2002 Meetings of the Canton City Council as written. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE JULY 2002 FINANCIAL STATEMENTS – Councilmember Pruitt moved to approve the July 2002 Financial Statements as presented. Councilmember Hutcherson seconded, and all voted in favor.

UPDATE FROM CANTON CHAMBER OF COMMERCE – Chamber President Joe Collins presented a letter from Southern Living Magazine featuring Canton's First Monday Trade Days, as one example of the cooperation they were getting from the press. He gave passes to the Council for the Women's Visions Expo at Dallas Market Hall August 24-25, at which the chamber would host a booth promoting Canton. Councilmember Wilson asked Mr. Collins to bring pictures of the booth back for the Council. Mr. Collins reported the chamber was also scheduled to attend the Vacation & Leisure show in Houston and the Home & Garden Show in Fort Worth, both in February. He said he was very proud of the recent changes to the chamber website, which more prominently featured the downtown area and the "Shop Canton First" promotion. He also noted the chamber was working with the East Texas Regional Economic & Development Tourism Committee to host a tree festival on the First Monday grounds next year. Mr. Collins ended by stating the number of visitors to the chamber office had tripled since they moved to the new location downtown.

DISCUSS AND CONSIDER REQUEST FROM VAN ZANDT HISTORICAL COMMISSION AND LAKE TRAILS HERITAGE REGION FOR HOTEL/MOTEL TAX REVENUE – Don Plemmons asked the Council for \$100 per month of the Hotel/Motel Tax Revenue to promote Van Zandt County heritage tourism. He said the Commission's goal was to create a brochure on Van Zandt County, highlighting trails, lakes, scenery and 105 historical markers. He further

explained the purpose and operations of the Historical Commission's Lake Trails Heritage Region, and also provided statistics on the economic impact of tourism. Mr. Plemmons said they received funds from the County budget, but it didn't cover everything. Councilmember Wilson asked Mr. Plemmons to approach other cities in the county for support also, since it was a county-wide program. Councilmember Roberts suggested the request be considered during the budget approval process.

DISCUSS AND CONSIDER REQUEST FROM DENNIS HEDDIN FOR WATER TAP OUTSIDE CITY LIMITS AT 1676 VZCR 2205 – Receiving no opposition from the staff, Councilmember Pruitt moved to approve the request for a water tap at 1676 VZCR 2205. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM PEACE FAMILY FOR EDOM STREET TO BE RENAMED PEACE STREET – Mayor Hilliard presented the request on behalf of Mary Wages and the Peace family. Mr. Mallory outlined the policy regarding the renaming of streets adopted January 14, 1997, which requires the requester to provide a notarized list of at least 75% of property owners abutting the street stating they consent to the change. It also requires the requester to defray the cost of installing signs and other expenses. Mayor Hilliard asked Julie Jackson to prepare a letter to Mrs. Wages informing her of the policy requirements.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION ON REQUEST FOR ZONING CHANGE OF FOUR TRACTS LOCATED ON INTERSTATE 20 NORTH AND SOUTH SERVICE ROADS IN CANTON, TEXAS, OWNED BY BILLY JACK DEEN, FROM AGRICULTURAL DISTRICT (RA) TO GENERAL BUSINESS DISTRICT (B-2) – Upon the recommendation of the Planning & Zoning Commission, Councilmember Wilson moved to approve the above-mentioned zoning change. Councilmember Roberts seconded, and all voted in favor. These tracts are all less than .25 acre and the annexation ordinances stipulate that water and sewer services are not available from the City to the properties.

DISCUSS AND CONSIDER AMENDMENT TO ORDINANCE 96-06 ADOPTING CURRENT INTERNATIONAL AND STANDARD BUILDING CODES RELATING TO BUILDING INSPECTION ACTIVITIES – Building Inspector Rick Malone explained the state had recently adopted international codes, and the proposed amendment would standardize the City to state requirements, as well as bring it up to the latest editions. Councilmember Pruitt moved to adopt the proposed amendment to Ordinance No. 96-06 adopting current international and standard building codes relating to building inspection activities. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER TENNIS COURTS – Councilmember Hutcherson informed the Council she had received several complaints from citizens about the condition of the tennis courts. Pete Lucas said he was waiting for an estimate on renovating the courts. Al Campbell reported that Wills Point ISD spent \$425,000 to put in eight new tennis courts, or \$50,000 each, but was unsure whether or not it included excavation. He also mentioned our tennis courts were reinforced steel rather than post-tension pads, making it difficult to repair. He said they were cracked but level, and he was concerned about the stability of the soil under them. The staff confirmed that regular maintenance included mowing, weed-eating, replacing nets and lights, etc. Councilmember Pruitt indicated a local traveling tennis league had ceased to use them because of

their condition. Mr. Mallory pointed out the high school also used the courts. The staff was asked to provide estimates for renovating versus replacing the courts at the next meeting.

DISCUSS ADDING \$3.00 FEE TO RV CAMPERS – Councilmember Pruitt proposed adding a \$3.00 sewer fee on each RV connection, and using the income for the animal control budget. He also reported the City's \$20 per night fee was below the \$22 to \$25 per night charged at other parks throughout the state. Mr. Mallory pointed out that water and sewer revenue could not be allocated to any other fund. Councilmembers Wilson and Roberts requested the staff canvass the number of RV hook-ups with sewer, and compare current revenue versus a \$3.00 fee per RV site. The item was tabled until a future meeting.

DISCUSS AND CONSIDER CONSTRUCTION OF FOURTH PAVILION AT THE FIRST MONDAY TRADE DAYS PARK – Councilmember Sanford asked the Council to grant permission for Al Campbell and Johnny Mallory to begin developing plans for a fourth pavilion between Trade Center III and the Arbors, noting the debt was retired on Trade Center I and soon to be retired on Trade Center II. Mayor Hilliard asked that the extension of Trade Center III be considered at the same time, to which Councilmember Wilson added the covered walkway between Trade Centers I and II and Councilmember Sanford added walkways between the Arbors and Trade Centers. Councilmember Sanford also recommended using Velvin & Weeks for the project since they had already prepared preliminary plans. Councilmember Pruitt so moved. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER FIRST MONDAY LEASES AND SUBLEASES – Item tabled by Mayor Hilliard.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE PROVIDING FOR POLICIES AND PROCEDURES REGARDING THE OPERATION OF FIRST MONDAY TRADE DAYS - Al Campbell proposed the following changes: prohibiting dealers from entering the grounds or RV park before Wednesday one week before the sale, requiring handicap scooter drivers to be handicapped or 18 years of age or older, banning carts modified for multiple passengers, holding scooter rental dealers accountable for their renters' adherence to the policies and procedures, and banning three-wheel scooters not designed for handicap use. Walter Flora and Joe Williams, both First Monday dealers renting scooters, agreed to these changes; however Mr. Williams felt a minimum age of 16 would be more appropriate. Councilmember Roberts recommended eliminating the requirement to have merchandise displayed on the front of each lot. Councilmember Sanford also recommended changing the fee for dealers staying past check-out from \$10 per day to \$25 per day. Councilmember Pruitt started a discussion on allowing vendors into the park on Monday like Mr. Lewis. After determining that there would be additional costs, no additional revenue, and the grounds were not always available following special events, the topic was abandoned. Councilmember Roberts moved to accept the changes to the First Monday policies and procedures as recommended by the staff with the elimination of the clause requiring merchandise to be displayed on the front of each lot and changing the fee for vendors past check-out from \$10 per day to \$25 per day, and to adopt Ordinance 2002-07 providing for these policies and procedures and the associated penalties for violations. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF REVISIONS TO CITY EMPLOYEE POLICY MANUAL – Councilmember Roberts moved to adopt the Employee Policy Manual as revised. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF CITY SALARY CHART – Councilmember Roberts proposed a salary chart that increased each step by 6% on levels one through nine, and moved the mechanic to level nine and the utility billing clerk to level six. He also recommended the animal control officer's responsibilities merited moving him to level 5 at his current step, which was endorsed by Police Chief Hammonds. Councilmember Wilson said he couldn't justify that the animal control officer did more than the administrative staff at City Hall. Councilmember Roberts pointed out that if the new chart were adopted, everyone below level ten would not get a step raise. Councilmember Roberts moved to raise the animal control officer from level three to five. Councilmember Sanford seconded, but no vote was taken. Councilmember Roberts recommended moving the dispatchers up from level four to level five, and leaving the dispatch supervisor on level five because she was ahead in steps. Salary Chart discussion was then tabled until the next budget workshop.

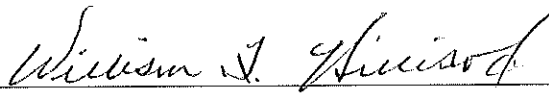
DISCUSS AND CONSIDER COUNCIL WORKSHOPS AND PUBLIC HEARING FOR 2002-2003 BUDGET – The Mayor set a workshop for Saturday, August 24, 2002. Councilmember Sanford moved to set the public hearing on the 2002-2003 budget for 6:30 p.m. on September 17, 2002. Councilmember Hutcherson seconded, and all voted in favor.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING REAL PROPERTY (Section 551.072) - The Council convened in executive session at 7:50 p.m. for deliberations regarding the potential sale of real property.

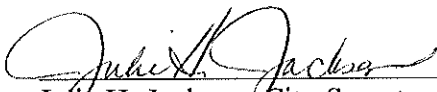
RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council returned to open session at 8:16 p.m. Councilmember Pruitt moved to put the 5.3 acres located on Highway 243 up for bid. Councilmember Sanford seconded, and all voted in favor.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 8:17 p.m. Councilmember Wilson seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
8:30 A.M., TUESDAY, AUGUST 24, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson. Councilmember Rusty Wilson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 8:30 a.m. and declared that a quorum was present.

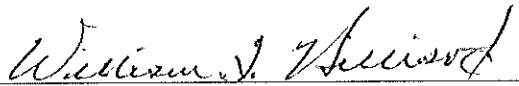
DISCUSS AND CONSIDER APPOINTMENT OF FIRE MARSHALL - Upon the recommendation of Johnny Mallory, Councilmember Sanford moved to appoint Brian McNevin to Fire Marshall. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF REVISIONS TO CITY SALARY CHART - Councilmember Roberts proposed a new salary chart increasing each step by 6% below level ten and moving the animal control officer, mechanic and utility billing clerk up in levels. Dispatchers were left at level three. Councilmember Sanford recommended using the current salary chart and allowing the department heads to recommend employees meriting extra steps. Johnny Mallory pointed out that the current chart was based upon a 3% step increase, but two employees did not fall within the chart. Councilmember Sanford stated that each employee needed to be evaluated and that automatic step increases should no longer be given. Pete Lucas said employees were evaluated twice a year and recommendations were made to Johnny Mallory when an employee merited extra step raises. Councilmember Sanford moved to amend the current salary chart by raising the mechanic to level 9 and the utility billing clerk to level 6, and to have the City Council approve extra step raises as recommended by the department supervisors to Johnny Mallory. Councilmember Pruitt seconded. In a discussion of merit pay, Johnny Mallory said he had some people on the payroll that needed to make more money, some that needed to be rewarded, and some that were not over-achievers, but none that needed to be fired. Mayor Hilliard stated it was not the Council's position to rate employee performance, but that of City management. He recommended decreasing the number of employees through attrition. Chief Hammonds noted the disparity of pay within the police department and other cities. He also asked about a night-pay differential. Mr. Mallory was instructed to bring all supervisor-recommended raises to the Council, even if he did not agree with it. Mayor Hilliard requested Mr. Mallory propose a figure from which to allocate raises. Mayor Hilliard called for a vote on Councilmember Sanford's motion and all voted in favor.

WORKSHOP FOR COUNCIL INPUT AND PLANNING PERTAINING TO BUDGET FOR 2002-2003 FISCAL YEAR - Mayor Hilliard told the Council he had informed Wills Point and Grand Saline they would have to start contributing to the animal shelter. Councilmembers agreed the cities in Van Zandt County should be billed a flat rate monthly, plus a per-animal fee. Councilmember Roberts said Canton was running a county-wide animal shelter, and the City

should not provide service to those cities who didn't pay when billed. Mayor Hilliard proposed the City build a new animal shelter facility and he asked David Hammonds to head the project. Councilmembers discussed billing for services inside the City and Johnny Mallory and Chief Hammonds were instructed to propose a fee structure. Councilmember Roberts suggested the proceeds from the sale of the 5.3 acres on Highway 243 be allocated to the animal shelter. Mayor Hilliard proposed the animal shelter be moved to the McLemee Trade Grounds, but Chief Hammonds said TNRCC would probably not allow the incinerator at that site. Councilmember Pruitt suggested CR 2909 and Hwy. 19, but there is no gas in that location. When asked about the cost of a gas line, Pete Lucas told them that TXU would have to lay the line and it was estimated at \$83,000 to run it to the current site. Councilmember Pruitt then asked Al Campbell to comment on the tennis courts. Mr. Campbell said Wills Point ISD spent \$50,000 per playing surface. That cost included fencing, paving, nets, lights, but no parking. The courts were post-tension structures. He recommended, pending approval by the engineers, that the City remove fencing, put a beam around the existing courts, and pour a post-tension pad on top of the current pad. He estimated the City may be able to renovate two courts for the price of one since the lights were already in place. Councilmember Hutcherson asked if the school could help fund the project. Councilmember Pruitt said John Crow was asked to present this request to the School Board for consideration in their budget. He asked Al Campbell to meet with Larry Davis, then take the proposal to the School Board. Al Campbell asked if the City could approach an engineering firm in Wills Point for advice on the project. It was agreed the City was under obligation to Wisenbaker & Fix for the water and sewer plant expansion project only. Mr. Mallory also recommended using Velvin & Weeks on the pavilion projects. Discussion of the tennis courts was placed on the next regular agenda.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 9:25 a.m. Councilmember Sanford seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 8:30 A.M., SATURDAY, SEPTEMBER 7, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 8:30 a.m. and declared that a quorum was present.

DISCUSS AND CONSIDER FIRST MONDAY POLICIES & PROCEDURES – Upon Al Campbell's recommendation, Councilmember Pruitt moved to adopt a policy stating that lots in the areas designated for individual structures on the First Monday grounds are non-transferable, even upon the sale of the business to a new owner, unless so specified in a rental contract. Beverly Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER CITY SALARY CHART – Councilmember Wilson presented a spreadsheet of salaries proposed by the supervisors for all full-time employees, excluding Johnny Mallory and Al Campbell, which represented a 4.05% pool raise. This proposal was based upon step increases within the current salary chart. He pointed out that the administration department's raises were lower than any other department. Councilmembers Wilson and Roberts then proposed a revised salary chart with a minimum and maximum salary per current level, but no incremental steps, which they estimated would not need adjusting for five to six years. Councilman Wilson recommended the Council vote on a pool raise, then have the department heads and city manager decide on how it would be dispersed. Councilmember Roberts moved to adopt the salary chart presented by Councilmember Wilson, eliminating steps, while retaining the current levels, and setting maximum and minimum salaries for each position/level. Councilmember Wilson seconded and all voted in favor. Councilmember Wilson added that new employees could be hired at a rate under the minimum level until after completion of their probationary period.

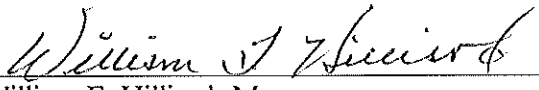
WORKSHOP FOR COUNCIL INPUT AND PLANNING PERTAINING TO BUDGET FOR 2002-2003 FISCAL YEAR – Upon Councilmember Roberts request, Pete Lucas confirmed that he recommended Joe Adams for the extra raise. Julie Jackson pointed out that he was promoted from Laborer to Equipment Operator 1. Councilmember Wilson asked the Council if they wanted to approve a 3% or 4% pool raise. Councilmember Pruitt said he wanted the ladies who cleaned the restrooms at First Monday to receive a raise and Johnny Mallory indicated he would give them a \$0.25 per hour raise. Councilmember Hutcherson suggested the 4.05% pool raise for the regular employees as recommended by the staff. Councilmember Wilson suggested a 4% pool raise, and a 3% raise for senior management. Councilmember Hutcherson stated she felt senior management deserved a raise like everyone else. Councilmember Wilson then moved to approve a 3% annual raise for senior management. Councilmember Sanford seconded. The motion passed with Councilmembers Sanford, Roberts and Wilson voting in favor and Councilmembers Pruitt and Hutcherson voting against. Councilmember Wilson then moved to approve a 4% pool raise for the remaining full-time employees. Councilmember Roberts seconded, and all voted in favor.

Councilmembers were presented a proposed budget of \$7,003,770 in revenue and \$6,915,438 in expenses, with an \$88,332 surplus. Councilmember Roberts then proposed a separate budget of \$7,003,770 in revenues and \$6,660,000 in expenses, including \$1,129,941 in salaries, reflecting a \$343,770 surplus. He stated he believed the City could operate within this budget without adjusting salaries, and he expected the city to stay within budget. He agreed the Council could be approached for approval of unforeseen expenditures. Mr. Mallory said the staff would have to rework the budget to reach the figure proposed by Councilmember Roberts. He also mentioned

the Bluegrass Festival was not in the current budget because he expected the extra revenue to wash out the extra expenses. Councilmember Wilson said all known expenditures should be included in the budget and the surplus should be used only for unforeseen expenses. Councilmember Pruitt stated there should be an allowance for a 5% variance from the budget. Councilmember Sanford said he didn't have a problem adjusting expenses and revenues for in and out expenses. Councilmember Roberts said if expenses increased, the staff would have to be able to justify it to the Council. Johnny Mallory asked Councilmember Roberts if revenues went up, could he also go up on expenses. Councilmember Roberts agreed that would be fine for an event, but not for First Monday or Water & Sewer. He added that he would like to see a full-time animal control assistant hired. Mr. Mallory said he only projected for a part-time assistant in the budget. David Hammonds supported Councilmember Roberts' request for a full-time employee, noting that he had a difficult time retaining part-time help. Tommy Roberts then moved to add a full-time animal control assistant in the budget. Councilmember Sanford seconded. The motion passed with Councilmembers Roberts, Sanford and Hutcherson voting in favor and Councilmembers Pruitt and Wilson voting against. Mr. Mallory indicated at least another \$6,000 would need to be added to the animal control budget. Mr. Mallory told Councilmember Roberts he would try to match his figures. Mayor Hilliard mentioned the increase in insurance expenses and also stated he was not pleased that the police department had not budgeted for a vehicle. Councilmember Roberts indicated that if major problems occur, the Council could use part of the surplus. David Hammonds added that he took out the police car to help his budget and he believed he could get by without it as long as two cars were included in the next budget.

Councilmembers discussed holding a meeting the following Saturday. Councilmember Roberts said he would be back in town Thursday night or Friday morning. Councilmember Wilson said he would try to return by Saturday morning.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 9:35 a.m. Councilmember Sanford seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 8:30 A.M., SATURDAY, SEPTEMBER 14, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 8:30 a.m. and declared that a quorum was present.

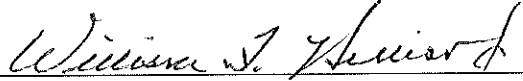
WORKSHOP FOR COUNCIL INPUT AND PLANNING PERTAINING TO BUDGET FOR 2002-2003 FISCAL YEAR – Johnny Mallory reviewed the final cuts made to the proposed budget in order to reach the \$343,770 budget surplus requested by Councilmember Roberts. Most final cuts were in capital improvements as noted: \$23,000 from administration capital improvements for a new roof and three personal computers at City Hall; \$20,900 from the police department for motor vehicle supplies, office equipment maintenance, radios, an air conditioning unit and bullet proof vests; \$16,800 from the fire department capital improvements for pagers, bunker gear, air packs and a lap top computer; \$6,500 from streets for a backhoe; \$19,000 from parks for dredging and all improvements at the lakes, possible replacement of an air conditioning unit at the Blackwell House, possible replacement of an air conditioning unit, dishwasher, tables and chairs at the Senior Citizens Building, an air conditioning unit and repair of a drainage problem at the Library, renovation of the tennis courts and all park improvements; \$88,000 from the water department for water main maintenance and capital improvements, a roof on two buildings at the water plant, line service, and minor tools and equipment; and \$21,000 from the sewer department for mains, tools and equipment, and replacement of lines.

Councilmember Roberts said he had to leave early and asked to move the discussion on to the salary chart. It was confirmed that the council approved a 3% raise for senior management at the last meeting. Councilmember Roberts said he wanted to go back to the salaries proposed at the last meeting. Councilmember Wilson said the Council voted on a 4% pool raise at the last meeting but didn't agree to any specific salaries, so he'd rather keep what the staff presented at the current meeting. Councilmember Roberts said he expected the last proposal to be adjusted to meet the 4% raise, but not to have so many changes. Julie Jackson explained that some employees' salaries were increased to meet the new minimum salaries for their level which was set by the Council at the last meeting. She further explained that without the obligation to adhere to a step raise, individuals receiving one step raises before were adjusted to receive an even 3% raise. Councilmember Wilson said it wasn't the Council's position to dictate individual salaries. Councilmember Roberts said the .05% made a lot of difference to some employees, citing Donald Wilhite as an example whose raise was decreased from 9% to 5.7%. He stated he was also opposed to increasing Ricky Williams raise. He then moved to go back to the salary chart proposed on September 7, 2002, with the exception of Tim Baxley, Patrick Terrell and Jason Hogwood who would increase to \$9.38, \$12.26 and \$8.41 respectively in order to meet minimum salaries for their level. Councilmember Pruitt seconded. Councilmembers Roberts, Pruitt, Sanford, and Hutcherson voted in favor. Councilmember Wilson opposed. Councilmember Roberts then excused himself at 9:15 p.m. for another appointment.


Councilmember Wilson started at the top of the budget and reviewed the cuts. He recommended putting back in the \$23,000 in administration; \$10,000 back in the fire department equipment account bringing it up to \$15,000; \$2000 back into Parks Equipment Rental 400 1250; \$1000 back in Parks-Machinery & Equipment 400-1540; \$1000 back in City Lakes, \$2000 back in Park Grounds; \$20,000 back in Capital-Water Plant 600 1510; \$10,000 back into Capital-Water Mains

600 1540; \$5,000 back in Sewer Tools & Equipment; totaling \$74,000 bringing the expense budget up to \$6,763,985. Councilmember Pruitt requested \$3,500 be put back into the police department other equipment account for vests, which increased total expenses to \$6,767,485. Councilmember Wilson so moved on the above mentioned changes. Councilmember Pruitt seconded, and all voted in favor. It was noted that final figures would change some due to the proposed changes in salaries. Councilmember Wilson stated that if any air conditioning units went out, the staff could come back to the Council for a budget amendment.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 9:25 a.m. Councilmember Sanford seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, SEPTEMBER 17, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, and Beverly Hutcherson. Councilmember Pruitt was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME given by Mayor Hilliard.

INVOCATION given by Jim Stephens.

PLEDGE OF ALLEGIANCE led by Mayor Hilliard.

GUEST ITEMS - None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES OF THE AUGUST 20, AND AUGUST 24, 2002 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved to approve the minutes of the August 20, and August 24, 2002 meetings as presented. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE AUGUST 2002 FINANCIAL STATEMENTS - Councilmember Sanford moved to approve the August 2002 Financial Statements. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM PEACE FAMILY FOR EDMON STREET TO BE RENAMED PEACE STREET - Julie Jackson reported that Mary Wages returned written consent for the name change from four out of the five property owners on Edom Street. She noted one property owner who was opposed to the change. Councilmember Sanford moved to rename Edom Street to Peace Street. Councilmember Wilson seconded, and all voted in favor. Upon Councilmember Roberts inquiry, Julie Jackson explained only one property owner would have to undergo an address change.

DISCUSS AND CONSIDER PROCLAMATION NAMING SEPTEMBER 17-23, 2002 AMERICAN CONSTITUTION WEEK - Upon the request made by Jean Elizabeth King representing DAR, Councilmember Hutcherson moved to adopt the proclamation naming September 17-23, 2002 American Constitution Week. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER BUDGET REQUEST FROM CANTON CHAMBER OF COMMERCE - Chamber Executive Director Joe Collins presented the Chamber of Commerce annual budget and introduced board members present in the audience. Incoming Chairman David Barber told Councilmembers he was looking forward to working with them in the upcoming year. He stated he would be glad to meet with them individually or as a group and he invited them to visit the new offices. Treasurer Dick Dale explained the hotel/motel tax revenue received from the City was spent to promote tourism and Canton. He pointed out that the chamber portion had evolved from a percentage to a set amount, which had decreased over the years while tax revenue was increasing. He said the tax revenue comprised a major portion of their budget and the reduction in funds would curtail what the chamber could do outside the city, namely trade shows which cost approximately \$4,000 each. He asked the Council why the cut was made and how the \$10,000 would be used. Councilmember Sanford said the funds would be used to host a Bluegrass Festival in Canton. Chairman Ann Thornton asked the Council if they understood what the chamber does and to rate the chamber's job performance. Councilmember Wilson said it was difficult to rate the chamber because the only updates the Council received were at budget time. Mrs. Thornton asked the Councilmembers to visit the chamber office and see what it offers people seeking information. She stated the chamber represented the City of Canton and was working hard to promote it. Councilmember Wilson stated he would like to see quarterly updates and more involvement in community activities, such as the activities around the square in conjunction with the downtown merchants. He said the chamber recently was asked to take pictures of the trade show booth and those had been well received. Ann Thornton finished by stating that the chamber wanted the Council to know what they did on a local level and they wanted to work with the Council to keep the chamber strong. She said the \$30,000 budget would handicap the chamber, and she asked that if there was a problem that the chamber be given an opportunity to address it and correct it.

DISCUSS AND CONSIDER RENEWAL OF CANTON CHAMBER OF COMMERCE SERVICE AGREEMENT - Councilmember Sanford moved to approve the renewal of the Canton Chamber of Commerce Service Agreement allocating \$30,000 of the hotel/motel tax

revenue to the Canton Chamber of Commerce for the 2002-2003 fiscal year. Councilmember Roberts seconded, and all voted in favor. Linda Royal requested the chamber's address be changed on the agreement.

DISCUSS AND CONSIDER EMPLOYEE OVERTIME - Councilmember Roberts asked if the Council wanted to consider making any supervisory positions exempt in order to cut overtime expenses. Johnny Mallory stated he believed the criteria for exemption was that the employee supervise three or more people. Councilmember Wilson said he would like to see Johnny Mallory return to the Council with recommendations on how to better control overtime. Mayor Hilliard requested the item be placed on the next agenda.

DISCUSS AND CONSIDER DEPENDENT HEALTH CARE COVERAGE - Councilmember Roberts said he had asked the Mayor to get a legal opinion on whether or not dependent health care coverage could be withdrawn from employees who were grandfathered and continued to receive the benefit after it was discontinued for new employees. He stated that some of the covered dependents worked and probably had healthcare coverage through their employer, making the City's insurance secondary. Councilmember Roberts said the City spends \$37,568.88 per year on this coverage. Mayor Hilliard tabled discussion until the next agenda after the City received a legal opinion on the matter.

DISCUSS AND CONSIDER TENNIS COURTS - The item was tabled.

PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2002 AND ENDING SEPTEMBER 30, 2003 - Mayor Hilliard opened the public hearing at 7:04 p.m. Johnny Mallory presented the budget with the changes requested at the last meeting. Councilmember Roberts asked if the \$80,000 put back into the budget was enough. Johnny Mallory stated the staff would have to come back to the Council during the year. Councilmember Roberts said there was no problem with that as long as it was for unbudgeted items. Mayor Hilliard closed the hearing at 7:06 p.m. with no other comments presented.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE APPROVING PROPOSED 2002-2003 BUDGET - Councilmember Wilson moved to adopt Ordinance No. 2002-08 approving the 2002-2003 budget as proposed. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF ENGAGEMENT LETTER RETAINING HESTER, CONWAY & COMPANY TO CONDUCT 2001-2002 AUDIT - Upon the recommendation of Johnny Mallory, Councilmember Roberts moved to approve the engagement letter retaining Conway & Company, CPAs to conduct the 2001-2002 audit. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM JOHNNY AND HELEN SEGOVIA FOR 3/4 INCH WATER TAP OUTSIDE CITY LIMITS AT 216 VZCR 4126 - The item was tabled to the next meeting after Pete Lucas reported that he would have to dig up the line to see what size it was and if it could support another residence.

DISCUSS AND CONSIDER CLEAN-UP BEHIND DOWNTOWN BUILDINGS - In furtherance of the Main Street efforts to beautify downtown, Councilmember Roberts said the

Council needed to make an effort to clean up the alley behind Hilliard's Hardware and Hilliard's Furniture Store. Mayor Hilliard graciously acknowledged the situation and reported his personal circumstances delayed his attention to the matter. He reported the building behind 207 and 209 Buffalo Street was given to the Edgewood Historical Society, which they planned to demolish as soon as the weather cools. He said several different parties were interested in pieces of the building, e.g. tin, lumber, etc. He requested the City contact the family members running the Hilliard's Furniture business directly. Councilmember Roberts asked that the matter be re-addressed in six months if the situation had not been resolved.

DISCUSS AND CONSIDER REQUEST FROM CANTON VOLUNTEER FIREFIGHTER'S ASSOCIATION FOR AUTHORIZATION TO CONDUCT ON-STREET SOLICITATION AT THE INTERSECTION OF HIGHWAY 64 AND BUFFALO STREET ON OCTOBER 5 AND 6, 2002 - Firefighters Eric Medley and Patrick Terrell requested the Firefighter's Association be granted permission to hold a boot drive downtown during the October First Monday to raise funds for the charities they support during the holiday season. Councilmember Sanford moved to approve the request. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER AMENDMENT TO ORDINANCE 97-03 (REGULATING THE USE AND CONSTRUCTION OF SIGNS) TO ESTABLISH A 4500-FOOT MINIMUM DISTANCE BETWEEN OFF-PREMISE SIGNS ON INTERSTATE 20 CORRIDOR AREA - After clarifying that the amendment would not impact the recently annexed properties owned by Billy Jack Deen, Councilmember Sanford moved to amend Ordinance 97-03 establishing a 4500-foot minimum distance between off-premise signs on the Interstate 20 Corridor Area. Councilmember Hutcherson seconded, and all voted in favor.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) - POLICE DEPARTMENT ADMINISTRATION

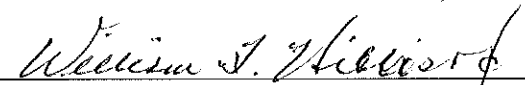
EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) - ADMINISTRATION

The Council convened in executive session at 7:20 p.m. to discuss personnel matters in the police and administration departments.


RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION - The Council reconvened in open session at 8:07 p.m. with no action taken.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS - Councilmember Roberts requested the \$3.00 fee for RV campers be placed on the next agenda, as well as the other tabled items.

ADJOURN - There being no further business to come before the Council, Councilmember Sanford moved to adjourn at 8:10 p.m. Councilmember Hutcherson seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:00 P.M., TUESDAY, SEPTEMBER 24, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Tommy Roberts, Ron Sanford, Raymond Pruitt and Beverly Hutcherson. Councilmember Wilson arrived at 6:18 p.m.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:00 p.m. and declared that a quorum was present.

DISCUSS AND CONSIDER ADOPTING ORDINANCE LEVYING TAX RATE FOR FISCAL YEAR BEGINNING OCTOBER 1, 2002 AND ENDING SEPTEMBER 30, 2003 - Councilmember Sanford moved to adopt Ordinance No. 2002-09 levying the tax rate at 0% for the fiscal year beginning October 1, 2002 and ending September 30, 2003. Councilmember Roberts seconded, and all voted in favor. Councilmember Pruitt asked about public hearing requirements if a tax is proposed. Johnny Mallory informed him it would be considered a roll-back and treated as such. Councilmember Roberts said there were also collection and expense considerations.

DISCUSS AND CONSIDER REQUEST FROM JOHNNY AND HELEN SEGOVIA FOR 3/4 INCH WATER TAP OUTSIDE CITY LIMITS AT 216 VZCR 4126 - Based upon Pete Lucas' advice that there was not sufficient water in the area to support another residence, Councilmember Roberts moved to deny Johnny and Helen Segovia's request for a water tap outside the city limits. Councilmember Sanford seconded, and all voted in favor. Councilmembers discussed an alternate route off Highway 17 if the property owners were interested.

DISCUSS AND CONSIDER REQUEST FROM WILLIAM AND CHRISTY WEBB FOR A 3/4 INCH WATER TAP OUTSIDE CITY LIMITS AT 421 VZCR 2201 - Upon the recommendation of staff, Councilmember Roberts moved to approve William and Christy Webb's request for a 3/4 inch water tap outside the city limits at 421 VZCR 2201, with the approval for Mr. Webb to perform the road bore at his cost. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST BY MAIN STREET TO CLOSE BUFFALO, TYLER AND CAPITAL STREETS AROUND THE DOWNTOWN SQUARE FOR THE AUTUMN

STROLL ON OCTOBER 19, 2002 – Councilmember Roberts moved to approve the request to close Buffalo, Tyler and Capital Streets around the Downtown Square for the Autumn Stroll event hosted by Canton Main Street on October 19, 2002. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER AWARDDING BID ON THE SALE OF 5.3 ACRES LOCATED ON HIGHWAY 243 - Mayor Hilliard notified the Council that a single bid was received, opened and read at 2:00 p.m., September 22, 2002. The bid was for \$95,000 from Canton Economic Development Corporation. Councilmember Pruitt moved to award the bid on the sale of the 5.3 acre property located on Highway 243 to the Canton Economic Development Corporation for the sum of \$95,000 and to dedicate the revenue to the animal shelter. Councilmember Roberts seconded, and all voted in favor but Councilmember Sanford who abstained. Councilmember Roberts said he wished the City to proceed with payment of the \$57,500 owed to CEDC for the lawsuit settlement, and the CEDC to then pay the City the full \$95,000 for the property. Johnny Mallory informed the Council the budget would have to be amended to include this item.

DISCUSS AND CONSIDER AWARDDING BID ON THE LEASE OF THE CONCESSION KITCHEN IN CANTON CIVIC CENTER DURING FIRST MONDAY TRADE DAYS - Council reviewed the following bids, all structured as the greater of a base rate or percentage of gross sales after sales tax:

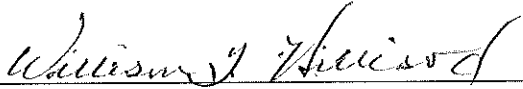
Vendor	Base Rate	% of Gross Sales
Ray Lawley	\$900	12%
Steven White	\$1,001	16%
William R. Wilson	\$850	11%
		12% if sales reach \$150,000
		14% if sales reach \$175,000
Sharon & Dennis Simonetta	\$780	12%
Crisler's Catfish & Steakhouse	\$800	15%
Wayne Harrison	\$1,355	10%

Councilmembers discussed the bids. Councilmember Pruitt wished to know more about the menus and plans each vendor had for the business operations. He recommended a committee consisting of Al Campbell, Ron Sanford, and Cathy Reynolds interview each vendor prior to the meeting at which the bid would be awarded. Wayne Harrison withdrew his bid saying he could not adequately prepare to take over the concession stand on such short notice if the bids were awarded at a later date.

DISCUSS AND CONSIDER BLACKWELL HOUSE – Jim Stephens said he met with the Iris Garden Club who agreed to continue maintenance of the yard, but they were unwilling to take over the operation of the museum. He recommended letting it function under the Museum Board and amend the bylaws increasing the board by three or four members in order to bring in members from some of the women's service organizations. Mr. Stephens said the property could be used for functions such as teas, quilting parties, wedding receptions, Easter egg hunts, luncheons and women's meetings. (Councilmember Wilson arrived at 6:18 p.m.) Councilmember Roberts moved to place the Blackwell House under the museum board on a trial basis. Councilmember

Sanford seconded, and all voted in favor. Mr. Stephens said he would prepare an amendment to the bylaws for Council approval.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 6:21 p.m. Councilmember Sanford seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 6:30 P.M., TUESDAY, OCTOBER 15, 2002
 CITY HALL, 290 E. TYLER STREET
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Tommy Roberts, Raymond Pruitt, and Beverly Hutcherson. Councilmembers Rusty Wilson and Ron Sanford were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME given by Mayor Hilliard.

INVOCATION given by Jim Stephens.

PLEDGE OF ALLEGIANCE led by Mayor Hilliard.

GUEST ITEMS - None.

DISCUSS AND CONSIDER APPROVAL OF MINUTES OF THE SEPTEMBER 7, 14, 17, AND 24, 2002 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Roberts requested items tabled at past meetings be presented to the Mayor for inclusion on future agendas. He then moved to approve the minutes of the September 7, 14, 17, and 24, 2002 meetings as presented. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE SEPTEMBER 2002 FINANCIAL STATEMENTS - Councilmember Pruitt moved to approve the September 2002 Financial Statements. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION AUTHORIZING CITY'S PARTICIPATION IN A LOCAL PROJECT ADVANCE FUNDING AGREEMENT WITH TEXAS DEPARTMENT OF TRANSPORTATION FOR THE CANTON/FIRST MONDAY TRADE DAYS STREETScape PROJECT – Gary Traylor asked the Council to adopt a resolution similar to the resolution previously adopted in the Spring. He said the City requested and was granted permission to carry out the contracts between the City of Canton and the contractors rather than between the Texas Department of Transportation and the contractors. The new resolution reflected this change. He reported that after its execution and receipt of a letter authorizing the City to proceed, the City would solicit proposals for design engineers, then select and employ an engineering firm by January 1. Councilmember Pruitt moved to adopt the resolution authorizing the city's participation in a local project advance funding agreement with the Texas Department of Transportation for the Canton/First Monday Trade Days Streetscape project. Councilmember Hutcherson seconded, and all voted in favor.

UPDATE FROM THE CANTON CHAMBER OF COMMERCE – Chamber President Joe Collins combined the update with the next item on the agenda.

DISCUSS AND CONSIDER SPONSORSHIP OF HOUSTON TRADE SHOW FEBRUARY 7-9, 2002, AND FORT WORTH TRADE SHOW FEBRUARY 14-16, 2002 – Joe Collins informed the Council that deposits had been made for the Houston and Fort Worth trade shows in February, but the chamber did not have the funds to attend. He estimated booth space and related travel expenses to reach \$3500 for the Houston show and \$1500 for the Fort Worth show. Mr. Collins said he was willing to work the booths if the Council wished. Councilmember Pruitt moved to amend the budget to include an additional \$5,000 to the Chamber of Commerce to underwrite the Houston and Fort Worth Trade Shows. Councilmember Hutcherson seconded, and all voted in favor. Councilmember Pruitt asked Mr. Collins to keep the Council informed of future opportunities to attend trade shows.

DISCUSS AND CONSIDER APPROVAL OF COMPROMISE, SETTLEMENT AND RELEASE AGREEMENT BY AND BETWEEN THE CITY OF CANTON AND TXU ELECTRIC COMPANY n/k/a TXU US HOLDINGS COMPANY AND TXU GAS COMPANY – David Collier explained that the City of Denton in conjunction with several other cities, filed suit against TXU in 2000 claiming miscalculation of franchise fees, omitting certain discretionary charges such as service connects, return check fees, etc. The Court ruled in the Cities' favor, and TXU is now offering non-participating cities the same settlement as was given to participating cities if they agree not to sue for any past franchise fees. Mr. Collier further explained that if the City accepted the settlement agreement, TXU was open to amending the electric and gas franchise agreements to include discretionary charges. He said in addition to the inclusion of these charges, the City could increase the gas franchise fee from 3% to 4% on residential and commercial customers and could add additional classes if so desired, i.e. city & county accounts, post offices, and school districts. He determined the 1% increase on the average residential customer would increase the bill \$0.54 annually. He also noted the City was already collecting the maximum 4% electricity franchise fee from all classes. Mr. Collier pointed out the franchise fees were on the delivery of gas and electricity, unrelated to which company providing the service. Councilmember Roberts moved to accept the settlement offer of \$9,569.60. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING THE EXISTING ELECTRIC FRANCHISE BETWEEN THE CITY OF CANTON AND ONCOR ELECTRIC DELIVERY COMPANY – After determining the City had additional time to amend the existing franchise agreements, Councilmember Roberts asked that this item and the next be tabled until the next regular meeting to allow more time for the council to consider the options.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING THE EXISTING GAS FRANCHISE BETWEEN THE CITY OF CANTON AND TXU GAS COMPANY

PUBLIC HEARING ON BOARD OF ADJUSTMENT'S RECOMMENDED CONDEMNATION OF RESIDENCE LOCATED AT 424 MEADOW LANE, CANTON, TEXAS, OWNED BY JOE GILMER – Mayor Hilliard opened the Public Hearing on the demolition of the structure at 424 Meadow Lane at 7:02 p.m. The Hearing closed at 7:03 p.m. with no comment.

DISCUSS AND CONSIDER CONDEMNATION AND DEMOLITION OF RESIDENCE LOCATED AT 424 MEADOW LANE, CANTON, TEXAS, OWNED BY JOE GILMER – Councilmember Pruitt moved to approve the demolition order for the structure located at 424 Meadow Lane. Councilmember Hutcherson seconded, and all voted in favor. Building Inspector Rick Malone reported the IRS did have a lien on the property, but their only concern was that they be sent a copy of the demolition order for their records. He said the owner, Joe Gilmer, attended the previous hearing before the Board of Adjustment and was notified of the hearing before the Council.

DISCUSS AND CONSIDER APPROVAL OF AMENDMENT TO MARCH 19, 1996 AGREEMENT FOR PROFESSIONAL SERVICES AND PURCHASE OF AIRCRAFT – Darrell Reynolds, representative from JTA Services, asked the Council to amend the original contract between the City and JTA Services to include additional helicopter frames purchased by JTA Services under the terms of the agreement. Mr. Mallory explained the City had no expenses associated with the contract. The original helicopter, additional frames, and all maintenance and expenses were paid by JTA Services. Councilmembers discussed a separate helicopter obtained by the police department for which a release from the government was being sought in order to transfer or sell the aircraft. This aircraft was not included in the JTA Services agreement. Councilmember Roberts moved to amend the March 19, 1996, agreement for professional services and purchase of Aircraft between the City of Canton and JTA Services to include parts #68-16813, 68-16197, 66-17100, 70-15453, 71-20527. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER ADOPTION OF RESOLUTION TO SUPPORT SCENIC ECONOMIC DEVELOPMENT LEGISLATION – Mr. Mallory presented the request for the City Council's endorsement of scenic economic development legislation. After determining the billboard by Wal-Mart on Hwy. 243 was not inside the City limits, and that it would not impact the recently-annexed property owned by Billy Jack Deen, Raymond Pruitt moved to adopt a resolution supporting the economic development legislation. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSS AND CONSIDER CHANGING ELECTRIC SERVICE PROVIDERS – Councilmember Pruitt asked the staff to research other electric service providers, such as Reliant, to determine if more favorable rates could be obtained without compromising service, and to report back to the Council in sixty days.

DISCUSS AND CONSIDER COST-CUTTING MEASURES FOR FIRST MONDAY (ELECTRICITY AND WATER USAGE) – Mayor Hilliard proposed the City research cost-cutting measures such as buying lights to replace the ones leased from TXU on the First Monday grounds, if an economical way could be found to install and maintain them. Al Campbell said a quick survey determined that at least 35 lights were located on TXU poles. He said there were some he would like to keep, specifically naming the lights entering the RV Park on Flea Market Road. Mayor Hilliard also instructed the staff to begin replacing the five-gallon commodes on the First Monday grounds with 1.5 gallon commodes in order to save water consumption and reduce volume at the sewer plant.

DISCUSS AND CONSIDER \$2.00 SEWER FEE FOR RV CAMPERS – Councilmember Roberts proposed adding a \$2.00 fee on all RV sites with sewer hook-ups. The Council and staff determined it would be cost-prohibitive to audit and collect only on sites used during First Monday, so it was agreed that a flat \$2.00 rate should be charged per RV hook-up and it would be up to the owner to decide whether or not to pass this cost on to the customer. The Council also discussed charging the City the same fee and the possibility of raising rates to accommodate the fee. Alton Smith who is an RV-owner warned against raising rates that he felt were already above customary rates. The Councilmembers also discussed the burden of a three-day minimum imposed for many campers who only stayed two days. Councilmember Roberts moved to add a \$2.00 service charge per month per RV site. Councilmember Pruitt seconded, and all voted in favor. Julie Jackson was instructed to prepare an amendment to the water and sewer rate ordinance for adoption at the next meeting.

DISCUSS AND CONSIDER REQUEST TO TEXAS DEPARTMENT OF TRANSPORTATION FOR SURVEY OF FIRST MONDAY TRAFFIC PROBLEMS – Mayor Hilliard stated the City had a traffic problem that needed to be addressed. Councilmembers discussed problem areas, including the multiple crosswalks on Highway 19. Mayor Hilliard asked the staff to request a study by the Texas Department of Transportation.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AGAINST JAKE BREAKS INSIDE CITY LIMITS – Councilmember Pruitt moved to adopt Ordinance No. 2002-12 prohibiting the use of “Jake” brakes inside the City limits. Councilmember Hutcherson seconded, and all voted in favor.

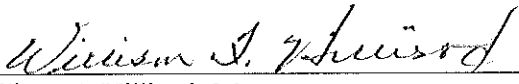
DISCUSS AND CONSIDER USING WATER TOWER REVENUE FOR THE ANIMAL SHELTER – Councilmember Pruitt proposed using the revenue from the water tower for the animal shelter. The Mayor warned against putting a disproportionately large amount of funds toward the animal shelter. Councilmember Roberts pointed out that a lot of work had been done at the animal shelter and it was a viable facility. Councilmembers stated the City needed a commitment from the County on the repair of the bridge. The Mayor proposed moving the site. Johnny Mallory proposed asking the Humane Society to take over operations with a budget provided by the City. He and David Hammonds were instructed to contact the Humane Society with this proposal and report at the next meeting.

DISCUSS AND CONSIDER REQUEST FROM VAN ZANDT COUNTY HISTORICAL COMMISSION AND LAKE TRAILS HERITAGE REGION FOR HOTEL/MOTEL TAX REVENUE – After determining the Canton Economic Development Corporation provided a grant to cover this request, Councilmember Pruitt requested the City stay informed on the project.

DISCUSS AND CONSIDER AMENDMENT TO POLICE DEPARTMENT BUDGET FOR REPLACEMENT OF A COMPUTER – Lieutenant Ron York reported that one of the computers at the police department had crashed and would need to be replaced immediately. He further stated the need for an automated, fully-integrated system of record-keeping at the police department. Councilmember Roberts moved to amend the police department budget by \$700 for the purchase of a personal computer. Councilmember Hutcherson seconded, and all voted in favor. Ron York was instructed to bring a proposal for a new system before the Council at the next meeting.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None other than tabled items.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 8:04 p.m. Councilmember Roberts seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
5:00 P.M., THURSDAY, OCTOBER 31, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, and Beverly Hutcherson. Councilmember Raymond Pruitt was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 5:04 p.m. and declared that a quorum was present.

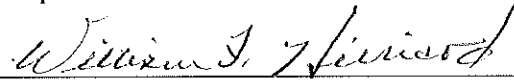
EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – REVIEW OF COUNCILMEMBERS' PERFORMANCE AS OFFICERS OF THE CITY

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – DISCUSSION & COMPILATION OF ADMINISTRATION'S ANNUAL REVIEW

The Council convened in Executive Session at 5:04 p.m. to review the City Council's performance as officers of the City and to discuss the administration's annual review.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in Open Session at 6:20 p.m. with no action taken.

ADJOURN – There being no further business to come before the Council, Councilmember Roberts moved the meeting be adjourned at 6:20 p.m. Councilmember Wilson seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
 CITY OF CANTON, TEXAS
 9:00 A.M., TUESDAY, NOVEMBER 12, 2002
 CANTON HIGH SCHOOL BAND HALL, 1100 W. HIGHWAY 243
 CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard and Ron Sanford. Councilmembers Rusty Wilson, Tommy Roberts, Raymond Pruitt and Beverly Hutcherson were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM – Meeting failed for lack of quorum.

Mayor Hilliard read the following proclamation naming Thursday, November 14, 2002, as Canton Mighty Eagle Band Day and congratulated the band students and directors on their fine achievements.

PROCLAMATION
 HONORING CHS MIGHTY EAGLE BAND
 FOR OUTSTANDING ACCOMPLISHMENT

WHEREAS, the Canton High School Mighty Eagle Band has well represented the Canton community as champions in regional, state, national and international competitions; and

WHEREAS, the CHS Mighty Eagle Band won the 2002 UIL State Marching Championship; and

WHEREAS, the CHS Mighty Eagle Band won 1st Division UIL Sweepstakes for nine consecutive years; and

WHEREAS, the CHS Mighty Eagle Band won 1st Division in Concert Sight Reading for nine consecutive years; and

WHEREAS, the CHS Mighty Eagle Band won the International Parade in Dublin Ireland in 1999; and

WHEREAS, the CHS Mighty Eagle Band won the 2002 Texas Music Educators Association "State Honor Band"; and

WHEREAS, the CHS Mighty Eagle Band was the first 3A band to ever hold both the "State Honor Band" title and the "State Marching Band" title in the same year; and

WHEREAS, the CHS Mighty Eagle Band was the first and only band to play for the cadets at West Point; and

WHEREAS, the CHS Mighty Eagle Band was named 2001 Grand Champion at the NSU Marching Festival in Natchitoches, Louisiana, among many other distinctions;

NOW, THEREFORE, I, William F. Hilliard, by virtue of the authority vested in me as Mayor and on behalf of the Canton City Council and all citizens hereof, do hereby designate and proclaim November 14, 2002, as

CHS MIGHTY EAGLE BAND

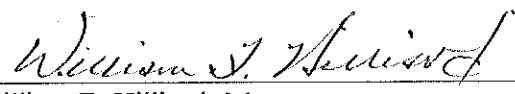
DAY

in our community, urging all citizens to commend and support the CHS Mighty Eagle Band in appreciation for their outstanding performance as Gold Winners of the 2002 UIL State Marching Championship, and wish them the best of luck in all future endeavors.

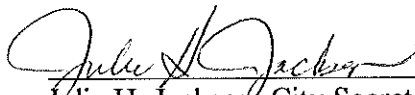
IN WITNESS WHEREOF, I do hereby set my hand and cause the Corporate Seal of the City to be affixed this 12th day of November in the year 2002.

William F. Hilliard, Mayor
Canton, Texas

Attest:
Julie H. Jackson, City Secretary


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, NOVEMBER 19, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Tommy Roberts, Ron Sanford, and Raymond Pruitt. Councilmembers Rusty Wilson and Beverly Hutcherson were absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:32 p.m. and declared that a quorum was present.

MAYOR'S WELCOME given by Mayor Hilliard who recognized the presence of four students from Trinity Valley Community College.

INVOCATION given by Jim Stephens.

PLEDGE OF ALLEGIANCE led by Mayor Hilliard.

GUEST ITEMS - Tony Dunlap brought forth a complaint against the Canton Police Department's handling of incidents on "The Mountain". He said little had been done in response

to their reports of vandalism, death threats and threats of violence made by employees of Corey-Davis Marketing. He accused the City of shielding Corey-Davis Marketing, and asked the Council to instruct the police department to prosecute those responsible in the reported incidents.

Richard Huston, a resident on "The Mountain", told the Council that he had reported vandalism to property, theft of property, death threats, threats of arson, criminal trespass and assault to the Canton Police Department. He said Chief Hammonds told him he had filed charges and was giving it to the District Attorney, but when asked, the District Attorney didn't know anything about the charges. He said the Chief was appointed by the Council and should not still have his job. He then told the Council to do their job.

Mayor Hilliard asked Johnny Mallory to follow-up on these allegations immediately.

DISCUSS AND CONSIDER APPROVAL OF MINUTES OF THE OCTOBER 15 AND 31, 2002 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved to approve the minutes of the October 15 and 31, 2002 meetings as presented. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE OCTOBER 2002 FINANCIAL STATEMENTS - Councilmember Pruitt moved to approve the October 2002 Financial Statements. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER PROCLAIMING DECEMBER 7, 2002, CHLOES ANDERSON DAY IN HONOR OF HER 99TH BIRTHDAY - Mayor Hilliard read the following proclamation naming December 7, 2002, Chloes Anderson Day in honor of her 99th birthday. Ron Sanford moved to approve the proclamation. Councilmember Roberts seconded, and all voted in favor.

PROCLAMATION

WHEREAS, Chloes Sides Anderson will be honored by friends and relatives on the occasion of her 99th birthday on December 7, 2002; and

WHEREAS, she was born in a log cabin in the Little Hope-Moore Community on December 7, 1903, to Robert Samuel and Arvie (Mann) Sides; and

WHEREAS, she became the wife of Earl Anderson on December 1, 1923, in Lubbock, Texas, and was married for sixty-seven years before his death in 1990, and is the mother of Hope Whitaker and Earlene Broch of Canton; the grandmother of Marla Baugh of Wills Point, and Andy Jackson of Canton; and the great-grandmother of Charley Baugh of Wills Point, and Andrea Jackson and Tyler Jackson of Canton; and

WHEREAS, she has lived in the Canton-area since her marriage in 1923, first on a farm in the Tundra Community, then on the old Anderson farm located on FM 2909 that was settled by Mr. Anderson's grandfather in the 1880's, then in town after a large portion of the farm was taken for Canton's new City Lake; and still resides in her home today; and

WHEREAS, she worked for many years for Curtis & Deliah Fincher at the old Service Café, and was a price-checker during World War II when all stores were required to sell goods at the same price; and

WHEREAS, she has been an active member of the First Baptist Church of Canton since the early 1960's and is the last living member of her original Sunday School class; and

WHEREAS, she has voted in almost every election since 1930 and helped hold elections in the Tundra area for many years; and

WHEREAS, during her long productive lifetime, she has demonstrated in countless ways her dedication to God, family and the welfare of others, and has earned the respect and affection of people from all walks of life and all ages; and

WHEREAS, she has lived during the most eventful century of this world's history, and in her quiet way has been a force for good and a stabilizing influence on those around her;

NOW, THEREFORE, by virtue of the authority vested in me as Mayor of the City of Canton and on behalf of the Canton City Council and all citizens hereof, I do hereby proclaim December 7, 2002, as

Chloes Anderson Day

in Canton, Texas, urging all citizens to join me in honoring Chloes Anderson on her 99th Birthday and in extending best wishes for her continued success in life's pursuits.

IN WITNESS, WHEREOF, I do hereby set my hand, and cause the Corporate Seal of the City to be affixed this 19th day of November, 2002.

Attest:
Julie H. Jackson, City Secretary

William F. Hilliard, Mayor
City of Canton, Texas

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING THE EXISTING ELECTRIC FRANCHISE BETWEEN THE CITY OF CANTON AND ONCOR ELECTRIC DELIVERY COMPANY – Oncor representative Darwin Winfield explained the options. Councilmember Pruitt moved to adopt Ordinance No. 2002-13 amending the existing electric franchise between the City of Canton and Oncor Electric Delivery Company to include a 4% franchise fee on discretionary charges. Councilmember Sanford seconded, and all voted in favor. Mayor Hilliard asked how many office fronts Oncor operated in cities of Canton's size. David Collier explained they closed their last office this summer and no longer had any offices for bill collection in any location.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING THE EXISTING GAS FRANCHISE BETWEEN THE CITY OF CANTON AND TXU GAS COMPANY – After a brief discussion, Councilmember Roberts moved to adopt Ordinance No. 2002-14 retaining the franchise fee at 3% for current classes and adding a 3% franchise fee on discretionary charges within those classes. Councilmember Sanford seconded, and all voted in favor. Mayor Hilliard pointed out that a number of local citizens pay their bills at the pay station and asked if it wouldn't be more convenient to have citizens pay at City Hall.

UPDATE FROM THE CANTON CHAMBER OF COMMERCE – Joe Collins reported the chamber received 15,000 hits on their website, and answered more than 1,400 e-mails and 3,000-4,000 phone calls in the past thirty-day period, most regarding First Monday.

DISCUSS AND CONSIDER UNDERWRITING TRADE SHOWS – Mr. Collins said they had the money set aside for the Houston and Fort Worth trade shows and had received information on shows in Austin, San Antonio, McAllen and Dallas. He estimated the Dallas Visions show to cost \$5,500 and indicated reservations would need to be made soon. He also reported the chamber needed to replenish materials, only having enough for the next two shows. Councilmember Pruitt asked for a report breaking down the expenses associated with each show for the past two years. He said he would like to see Canton go to the McAllen trade show to reach the winter Texans. Councilmember Roberts pointed out the City had already given \$5,000 for additional shows after cutting the budget, and was now looking at another \$5,500 for the Visions show plus another \$10,000-\$14,000. Joe Collins said 62% of the tax revenue they regularly received was used for the daily operations of the Chamber, while 100% of the last \$5,000 was dedicated for trade shows. The item was then tabled until after the Council reviewed the trade show expense reports.

DISCUSS AND CONSIDER CLOSING STREETS ON DECEMBER 14, 2002, FOR THE ANNUAL CHRISTMAS PARADE SPONSORED BY THE CANTON CHAMBER OF COMMERCE - Councilmember Pruitt moved to authorize closing the streets on December 14,

2002 along the route for the annual Christmas parade. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM WORD OF VICTORY TO CLOSE BUFFALO STREET BETWEEN DALLAS AND TERRELL STREETS ON THE EVENINGS OF DECEMBER 6, 7, AND 8, 2002, FOR THE LIVING NATIVITY – Councilmember Roberts moved to authorize the closing of Buffalo Street between Dallas and Terrell Streets on the evenings of December 6, 7, and 8, 2002, for the Living Nativity. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER AWARDED BID ON THE LEASE OF THE CONCESSION KITCHEN IN CANTON CIVIC CENTER DURING FIRST MONDAY TRADE DAYS – Al Campbell reported the committee comprised of Ron Sanford, Cathy Reynolds and himself had met with each bidder to review menus and discuss their ideas on business operations and décor, etc. Councilmember Sanford said the committee's consensus was to recommend awarding the bid to Crissler's Steakhouse. He then so moved. Councilmember Roberts seconded based upon the staff's recommendation, and all voted in favor. Mayor Hilliard instructed the staff to include a clause in the special events contract for a cleaning deposit for the kitchen, and to follow-up after each use prior to releasing the deposit.

DISCUSS AND CONSIDER AWARDED BID FOR CLEANING SERVICE - Councilmember Roberts suggested trustees clean the police department building and recommended the City re-bid for cleaning service for City Hall and the Senior Citizens building only. Councilmember Pruitt so moved. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF RESOLUTION AUTHORIZING JOHNNY MALLORY TO SIGN ALL DOCUMENTS PERTAINING TO THE SALE OF THE 5.3 ACRE TRACT LOCATED ON HIGHWAY 243 – Councilmember Pruitt moved to approve the resolution authorizing Johnny Mallory to sign all documents pertaining to the sale of the 5.3-acre tract located on Highway 243. Councilmember Sanford seconded, and all voted in favor.

RESOLUTION OF THE CANTON CITY COUNCIL

WHEREAS, a regular meeting of the Canton City Council was held at Canton City Hall, 290 East Tyler, Canton, Texas, on November 19, 2002, at 6:30 p.m.; and

WHEREAS, the City of Canton is desirous of stimulating economic growth through the development of new business within the city limits of Canton, Texas; and

WHEREAS, the land for such development is extremely limited within the confines of the city limits;

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CANTON, TEXAS, that the City Council does hereby agree to sell to the Canton Economic Development Corporation (CEDC) a 5.3 acre tract of land generally located on Highway 243 east of the American National Bank for the agreed upon sum of \$95,000.

By adoption of this Resolution, the Mayor and/or City Manager of the City of Canton are authorized to execute any and all documents necessary to implement this Resolution.

PASSED, ADOPTED AND APPROVED THIS THE 19th DAY OF NOVEMBER,

2002.

William F. Hilliard, Mayor
City of Canton, Texas

ATTEST:

Julie H. Jackson, City Secretary

DISCUSS AND CONSIDER AWARDING BID FOR RE-ROOFING AT WATER PLANT – Councilmember Sanford recommended a 20-year metal roof. He then moved to award the roofing bid to the low bidder—Anderson Roofing—for \$6,715.00. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM JOHNNY AND HELEN SEGOVIA FOR ¾ INCH WATER TAP OUTSIDE CITY LIMITS AT 216 VZCR 4126 - Upon the staff's recommendation, Councilmember Roberts moved to approve the request. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM JOHN DAVID CROW FOR ¾ INCH WATER TAP OUTSIDE CITY LIMITS AT 396 VZCR 2204 – Councilmember Sanford moved to approve the request. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM DANNY AND KAY ETHERIDGE FOR A ¾" WATER TAP OUTSIDE THE CITY LIMITS AT 249 ETHERIDGE LANE – Councilmember Roberts moved to approve the request. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM HEIDLE BASKIN FOR REDUCTION IN WATER RATES FOR LAUNDROMATS – Heidle Baskin asked the Council for a reduction in water rates for laundromats, stating the recent increase in water and sewer rates would result in higher rates on a basic service provided to lower income citizens. He said his concern was for the end-users, explaining that he would realize increased profits since the coin-operated machines were limited to \$0.25 incremental increases. Councilmembers Roberts and Sanford had reservations about offering special rates, and what that might mean for future requests. Councilmember Sanford moved to deny the request for a reduction in water rates for laundromats. Councilmember Roberts seconded. The motion passed with Councilmembers Sanford and Roberts voting in favor, and Councilmember Pruitt voting against.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING THE EXISTING WATER AND SEWER RATES TO INCLUDE A MONTHLY \$2.00 SEWER FEE PER RV CAMPSITE – Councilmember Roberts moved to add a \$2.00 sewer fee per RV campsite. Councilmember Sanford indicated he had problems with charging despite usage. He discussed charging the \$2.00 fee on average usage. Johnny Mallory said it would be difficult to keep a record of usage and he was planning to charge a flat \$2.00 per site, then the owner could determine whether he would pass on the rate increase to the customer. Mayor Hilliard questioned charging this fee in addition to the regular rates. Councilmember Pruitt requested the item be tabled until the staff determined the overnight rates charged by RV parks along Interstate 20, from Mesquite to Louisiana. The motion failed for lack of a second.

DISCUSS AND CONSIDER OPERATION OF FIRST MONDAY PARKING LOT ON FM 859 – Julie Jackson reported receiving requests from Canton organizations to once again participate in the operation of the FM 859 parking lot for fund-raising purposes. Councilmember Pruitt recommended the City return to the old system of allowing all local organizations to participate.

Al Campbell suggested the school run the parking lots through the spring since they already had the dates assigned to different school organizations. Councilmember Pruitt so moved. Councilmember Sanford seconded, and all voted in favor.

REPORT ON MEETING WITH HUMANE SOCIETY REGARDING OPERATION OF ANIMAL SHELTER – Johnny Mallory reported that he and David Hammonds met with the Humane Society and they were not interested in operating the animal shelter. Councilmember Roberts said the City had funds to improve the current site and had the cooperation from the county to repair the road leading into it. He suggested the City or State put up a new sign on the south side of the north service road to direct the public to the facility. Johnny Mallory said Jimmy Don Wilson estimated the road/bridge repair to cost \$46,000.

DISCUSS AND CONSIDER AMENDING BUDGET TO PURCHASE NEW COMPUTER SYSTEM FOR POLICE DEPARTMENT – The item was tabled until the next meeting so the Police Department could consider an additional proposal brought by Councilmember Roberts.

DISCUSS AND CONSIDER DEPENDENT HEALTH CARE COVERAGE – Councilmember Roberts moved that any future increases in the cost of dependent health care coverage would be borne by the employee. Councilmember Pruitt seconded, and all voted in favor.

DISCUSS AND CONSIDER EMPLOYEE OVERTIME – Item tabled in Councilmember Wilson's absence.

DISCUSS AND CONSIDER AMENDING PLAZA MUSEUM BOARD BYLAWS – Jim Stephens asked the Council to approve the amended bylaws which increased the number of board members from 9 to 13, and incorporated the oversight of the Blackwell House. Councilmember Roberts moved to approve the proposed amended bylaws of the Plaza Museum Board. Councilmember Sanford seconded, and all voted in favor.

DISCUSS AND CONSIDER FIRST MONDAY LEASES AND SUBLEASES – Mayor Hilliard stated the City needed to take a strong look at the way it leased lots on the First Monday grounds. He said the City had building owners competing on its own property. He also indicated the City needed to strengthen the building code to develop a coordinated appearance. Councilmember Roberts suggested having a meeting for that purpose. Mr. Mallory asked if the staff should proceed with current policies and procedures, to which Councilmember Roberts answered yes. Mayor Hilliard said the City should also stop allowing vendors to buy each other out so that lots revert back to the City.

DISCUSS AND CONSIDER CALLING SPECIAL MEETING TO DISCUSS PARK PLANNING – This item was discussed prior to the executive session. Richard Davis briefed the audience on the origination of a Park Planning Committee under the Main Street program which coordinated the development of a comprehensive park plan for the City. He asked for a special session to present the plan and for the City not to make any commitments for structures on the hill of the First Monday grounds until the Parks Committee could find out what areas would be included in their project. Al Campbell informed the Council there was already a lease for a structure north of the green bathroom, which was in the building zone. Mayor Hilliard instructed the staff to brief him and the Council on any major buildings. A special meeting was called for 8:30 a.m. on November 23, 2002.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – MUNICIPAL COURT JUDGE AND FIRST MONDAY SUPERVISOR –

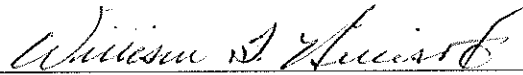
The City Council convened in executive session at 7:56 p.m. to discuss the municipal court judge's position and to discuss the hiring of a First Monday supervisor.

RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 8:23 p.m. Councilmember Pruitt moved to hire Lonnie Cluck as an employee in the First Monday department. Councilmember Sanford seconded. The motion passed with Councilmembers Sanford and Pruitt voting in favor and Councilmember Roberts voting against.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None.

GUEST ITEMS – Gerald Summers addressed the Council as he had been inadvertently overlooked during the guest items at the beginning of the meeting. He presented a proposal from Sun Water Systems out of Fort Worth, after which he was instructed to make an appointment with the city manager to discuss this type proposal.

ADJOURN – There being no further business to come before the Council, Councilmember Pruitt moved to adjourn at 8:28 p.m. Councilmember Roberts seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

CALLED MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
5:00 P.M., TUESDAY, NOVEMBER 26, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor William F. Hilliard, Tommy Roberts, Ron Sanford, and Beverly Hutcherson. Councilmember Rusty Wilson arrived at 5:23 p.m. Councilmember Raymond Pruitt was absent.

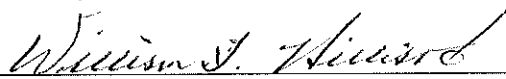
Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 5:03 p.m. and declared that a quorum was present.

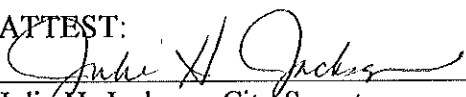
DISCUSS AND CONSIDER ALL MATTERS PERTAINING TO PARK DEVELOPMENT AND PLANNING – Richard Davis, chairman of the Main Street's Parks Committee, presented conceptual drawings for a comprehensive park plan designed by a Texas Parks & Wildlife landscape architect. Mr. Davis said that adding to the quality of life was their goal, and they tried to incorporate ideas that would benefit local residents, help attract visitors at times other than

First Monday, and help draw First Monday visitors to the downtown shopping district. The complete plan was divided into several phases that included walking/biking paths linking the First Monday Park with the Old City Lake Park and the 80-acre property; additional shade trees, lights and park benches along the paths; a water feature and a 1500-seat amphitheater near the historic main entrance to the First Monday grounds for plays and musical events, and graduations and school programs as suggested by the Mayor; improvements along the creek on the First Monday grounds; a larger amphitheater with a permanent stage and temporary perimeter in the parking lot off FM 859 for larger events such as the Bluegrass Festival; and development of the 80-acre property with soccer fields, a restroom/concession stand building, parking areas, RV parking sites, camp sites, bike trails, and wooded areas. He asked the Council to consider pursuing stage one tying First Monday's historic main entrance to the downtown area with pathways and a water feature, and constructing the smaller amphitheater in the hillside west of the entrance. In discussing funding, Mr. Davis informed the Council that grants were available, some as much as 50% matching grants. He said Deon Decker had volunteered the equipment and operator for the dirt work--the value of which would be considered as part of the City's 50% match requirement -- and he would provide trees and shrubs at cost. He also believed others would donate time and materials, and if approved by the Council, he would request additional funding from the Canton Economic Development Corporation. He added the amphitheaters were revenue-generating entities which could help pay for maintenance of the properties. In answer to Tommy Roberts' question, Mr. Davis said the plan consisted of five independent phases, and approval of the first phase in no way committed the Council to further action, but he felt it important to have a comprehensive plan should it desire to do so. Mr. Davis explained the process: if the Council approves pursuing stage one, engineers would be hired to estimate costs and provide more detail to the plans, then they would apply for grants and CEDC funding. Lucia Deen asked the Council to consider a moratorium on any private building in the historic main entrance area that might conflict with the park plans. Richard Davis suggested the City may also consider the increased value of the lots in that area as a revenue source, and he asked that the location and design of any new structures be considered in the concept of the overall plan. The Mayor asked the staff to keep him and all City Councilmembers apprised of any plans for structures on the hill. Tommy Roberts asked where the money would come from for the engineering. Mr. Davis said they needed to determine a ballpark figure then ask CEDC for funding. Councilmember Roberts said the Council needed to determine what commitments the City had in the main gate area and what impact the amphitheater would have on parking. Rusty Wilson recommended the Council meet in the area during the day to visualize the project. Councilmember Beverly Hutcherson said she would like to pursue it further, but was not yet ready to commit to the project. She then moved to grant approval for the Parks Committee to get preliminary engineering costs and to seek a commitment for funding from the Canton Economic Development Corporation. Councilmember Sanford seconded the motion, and all voted in favor.

ADJOURN -- There being no further business to come before the Council, Councilmember Hutcherson moved the meeting be adjourned at 5:59 p.m. Councilmember Sanford seconded, and all voted in favor.


 William F. Hilliard, Mayor

ATTEST:


 Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, DECEMBER 17, 2002
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Rusty Wilson, Tommy Roberts, Ron Sanford, and Beverly Hutcherson. Councilmember Raymond Pruitt was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:30 p.m. and declared that a quorum was present.

MAYOR'S WELCOME given by Mayor Hilliard.

INVOCATION given by Jim Stephens.

PLEDGE OF ALLEGIANCE led by Mayor Hilliard.

GUEST ITEMS - John Wayne Warren and Charles Huddle requested their properties on Highway 198 south of Etheridge Rd. be disannexed from the City limits. Mr. Warren said the property was annexed upon the request of the previous owner, Horace Etheridge. He said their biggest problem was the city's inability to provide sewer to the property, but when asked, they were not interested in remaining in the city limits even if sewer were available. Johnny Mallory indicated the city attorney had been consulted on the procedures for disannexation and after his response was received, their request would be placed on an agenda for Council consideration.

DISCUSS AND CONSIDER APPROVAL OF MINUTES OF THE NOVEMBER 12, 19, and 26, 2002 MEETINGS OF THE CANTON CITY COUNCIL - Councilmember Sanford moved to approve the minutes of the November 12, 19, and 26, 2002 meetings as presented. Councilmember Roberts seconded, and all voted in favor.

DISCUSS AND CONSIDER APPROVAL OF THE NOVEMBER 2002 FINANCIAL STATEMENTS - Councilmember Sanford moved to approve the November 2002 Financial Statements. Councilmember Hutcherson seconded, and all voted in favor.

UPDATE FROM THE CANTON CHAMBER OF COMMERCE AND DISCUSS AND CONSIDER TRADE SHOWS - Incoming President David Barber reviewed plans for the Christmas parade and thanked the City for their assistance and use of the Civic Center. He also mentioned their plans for a booth at the Houston Trade Show February 7-9 and the Fort Worth Trade Show February 14-16. He told the Council he looked forward to working with them through what would be a challenging transition period for the chamber, but one he felt confident would be as smooth as possible with the assistance of the Chamber secretary and an active Board.

He invited Councilmembers to visit the chamber office other than December 23-27, when it would be closed.

PUBLIC HEARING AND DISCUSSION AND CONSIDERATION OF RECOMMENDATION OF PLANNING AND ZONING COMMISSION FOR CHANGE OF ZONING AT 704 SOUTH HIGHWAY 19, CANTON, TEXAS, OWNED BY JACKIE WESTMORELAND AND DAVID KEAHEY, FROM R-1 (SINGLE FAMILY DETACHED RESIDENTIAL) TO B-1 (LOCAL BUSINESS DISTRICT) – Mayor Hilliard opened the public hearing at 6:40 p.m. and closed at 6:41 p.m. with no discussion. Upon the recommendation of the Planning & Zoning Commission, Councilmember Sanford moved to approve the zoning change from R-1 to B-1 for the property located at 704 South Highway 19, Canton, Texas, owned by Jackie Westmoreland and David Keahey. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER REQUEST FROM TEXAS DEPARTMENT OF TRANSPORTATION FOR WATER AND SEWER TAPS OUTSIDE THE CITY LIMITS AT FM 1255 AND INTERSTATE 20 - Johnny Mallory explained the Texas Department of Transportation was planning to construct a maintenance facility on FM 1255 at Interstate 20, and they were requesting city water and sewer service outside the City limits. He stated they were planning to pay all expenses associated with bringing 4" or 6" lines to that property. Mr. Mallory said the staff had no objection to furnishing water and sewer at their expense. Mayor Hilliard indicated any new lines needed to serve properties in the area. Mr. Mallory explained they would have to run a pressure line for sewer, not gravity flow, making it difficult for others to tie on.

DISCUSS AND CONSIDER AWARDED BID FOR CLEANING SERVICE – Mr. Mallory reported the City re-advertised for bids for cleaning service without the police department included as instructed by the Council. Councilmember Roberts moved to accept the low bid of \$600 by Tam Erwin. Councilmember Sanford seconded, and all voted in favor. Councilmember Sanford recommended a checklist be prepared for the service to complete each time they cleaned.

DISCUSS AND CONSIDER REQUEST FROM BOBBY BOLIN FOR APPEARANCE BEFORE THE COUNCIL TO DISCUSS EMPLOYEE MATTERS – Employee Bobby Bolin asked the Council why he was no longer receiving a paycheck. Mr. Mallory explained that Mr. Bolin had not been able to work since April, but had been paid from April through early December by employees' donations of their accrued sick time to the sick bank. He said the sick bank was now very low and there was no more time to give him. Mr. Bolin said he was aware of the sick bank, but there had been no mention of it to him. Mayor Hilliard informed Mr. Bolin that it was not a function of the Council to override; that each employee had the same privilege; and he understood his health issues, but the benefits available to him had been exhausted. Members discussed the denied workers comp claim. Mr. Mallory said the claim was denied because the City staff could not give them a statement saying he was hurt on the job. Mr. Bolin stated he went to City Hall to file a claim in March, but Mr. Mallory told him not to worry about it that he would get paid. He said it was a job-related injury and he told his supervisor. His supervisor, Pete Lucas, said Mr. Bolin did not come to him and he would not perjure himself by stating so. When asked, Mr. Bolin said he had filed for disability. Mr. Mallory also explained that Mr. Bolin was asked to return to work to answer phones, which he did briefly but was unable to stay. Pete Lucas reported the City had given Mr. Bolin 1700 hours sick time above his regular benefits even though the sick bank policy only entitled him to 400. He further stated the sick bank was down to

480 hours, leaving very little for anyone else who might need it. He also stated he called Mr. Bolin and told him they were out of sick leave hours after the sick bank committee's last meeting. Councilmember Roberts then stated it was out of the Council's hands and there were no other benefits available for them to offer Mr. Bolin.

DISCUSS AND CONSIDER TRANSFER FEES ON LOTS IN THE BUILDING AREA OF FIRST MONDAY PARK – Councilmember Sanford said he and Councilmember Pruitt were recommending the Council once again allow the transfer of lots in the building area of the First Monday Park, and that the transfer fee in the building area only be \$1000 per lot, including when a vendor picks up an adjoining lot. He also stated if it was not already on record, the City would not recognize the addition of partners. Councilmember Hutcherson questioned whether the City should allow the transfer of lots since food concession lots never come available. Mayor Hilliard expressed a need to stop the selling of lots. Councilmembers Wilson and Sanford said that was not enforceable, but Mayor Hilliard said that a person wanting a lot should go through the City. Councilmember Roberts disagreed and said it should be the vendor's prerogative to decide to whom he could sell his business. Mayor Hilliard said there should be a clause in the leases to stop transfers since they don't own the property. Councilmember Wilson said interference by the City would stifle growth and the best growth was in the building area which generates the most tax revenue. Mayor Hilliard voiced his opposition saying any lot dropped by a vendor should come back to the City or it would create problems down the road. Ron Sanford moved to allow the transfer of lots in the building area with a \$1000 per lot transfer fee, including adjoining lots, and denying the option of adding partners to a receipt. Councilmember Wilson seconded, and all voted in favor.

DISCUSS AND CONSIDER PURCHASE OF LANDMARK LOG DISPLAY – Tabled until Councilmember Pruitt could be present.

DISCUSS AND CONSIDER ADOPTION OF ORDINANCE AMENDING THE EXISTING WATER AND SEWER RATES TO INCLUDE A MONTHLY \$2.00 SEWER FEE PER RV CAMPSITE - Councilmember Roberts moved to increase the sewer rates by \$2.00 per RV site per month. Councilmembers discussed the proposed rate increase and the related administrative problems. Upon Councilmember Wilson's recommendation, Johnny Mallory was instructed to calculate a surcharge as an alternative to the \$2.00 fee per RV site. The earlier motion failed for lack of a second.

DISCUSS AND CONSIDER COLLECTION OF PAST DUE WATER BILLS – Mayor Hilliard stated the City needed a policy on past-due water bills. Johnny Mallory explained the current policy set by a previous council was to cut off any customer after two months of non-payment unless there were extenuating circumstances, such as a sickness in the family. He also mentioned that some customers stay one month behind but are charged a penalty. Councilmember Wilson mentioned one customer who owed \$1278. Mr. Mallory reported that customer paid \$400 last month and was attempting to reconcile the bill. He further explained the customer's wife had a difficult pregnancy and had recently lost her mother, and the baby had on-going medical problems. After determining that policy was being followed, the staff was instructed to provide a monthly report in the Council packets.

DISCUSS AND CONSIDER APPROVAL OF AGREEMENT FOR STREET LIGHTING SERVICE WITH ONCOR ELECTRIC DELIVERY COMPANY – Upon Johnny Mallory's request, the item was tabled until the next meeting when Oncor could provide an amended agreement.

BRIEFING FROM FIRE CHIEF REGARDING AGREEMENT BETWEEN TRINITY VALLEY COMMUNITY COLLEGE AND THE CANTON FIRE ACADEMY – Fire Chief Brian McNevin informed the Council that Trinity Valley Community College had agreed to award 15 hours college credit in their firefighter science program to anyone completing the Canton Fire Academy's firefighter certification course approved by the Texas Fire Commission. He said the agreement will prescribe what each entity will provide—e.g. TVCC will pay for instructors after the first course and will assist with equipment such as power point, slide projectors, etc. He also reported the Fire Department received permission from Canton I.S.D. to hold classes in one of the old Intermediate School classrooms. Tuition will be free to Canton firefighters. All others will pay \$1000 in tuition to the Canton Fire Department. Chief McNevin stated the TVCC representative wanted to meet with the Mayor at 11:00 a.m. on January 17th to review the agreement. Mayor Hilliard asked Councilmembers be copied on the proposed agreement and to attend the meeting.

DISCUSS AND CONSIDER AMENDING BUDGET TO PURCHASE NEW COMPUTER SYSTEM FOR POLICE DEPARTMENT – Tabled at the request of Police Chief David Hammonds.

DISCUSS AND CONSIDER EMPLOYEE OVERTIME – Councilmember Wilson stated all was fine for now.

Mayor Hilliard referred the Council to a letter received from Billy Jack Beason stating his dissatisfaction with a City employee's treatment of him in the First Monday Park's holding area for unreserved vendors. Mayor Hilliard asked Al Campbell to attempt a call and report back to the Council.

EXECUTIVE SESSION FOR DELIBERATIONS REGARDING POTENTIAL PURCHASE OF REAL PROPERTY (Section 551.072) -

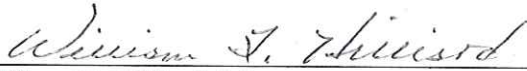
EXECUTIVE SESSION FOR DELIBERATIONS REGARDING PERSONNEL MATTERS (Section 551.074) – MUNICIPAL COURT JUDGE AND CONTINUATION OF ADMINISTRATION EVALUATION

The City Council convened in executive session at 7:24 p.m. to discuss the potential purchase of real property and the appointment of a municipal judge. The city manager's evaluation was tabled until a future meeting.

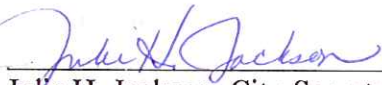
RECONVENE TO OPEN SESSION AND CONSIDER ACTION, IF ANY, ON ITEMS DISCUSSED IN EXECUTIVE SESSION – The Council reconvened in open session at 7:45 p.m. Councilmember Sanford moved to appoint Lilia Durham as Municipal Court Judge. Councilmember Hutcherson seconded, and all voted in favor.

DISCUSSION PERTAINING TO BUSINESS FOR PLACEMENT ON FUTURE AGENDAS – None.

ADJOURN – There being no further business to come before the Council, Councilmember Sanford moved to adjourn at 7:46 p.m. Councilmember Roberts seconded, and all voted in favor.


William F. Hilliard, Mayor

ATTEST:


Julie H. Jackson, City Secretary

REGULAR MEETING OF CANTON CITY COUNCIL
CITY OF CANTON, TEXAS
6:30 P.M., TUESDAY, JANUARY 21, 2003
CITY HALL, 290 E. TYLER STREET
CANTON, TEXAS

The Canton City Council met at the above-named date and time in the City Hall Council Chambers. Members present were Mayor Hilliard, Rusty Wilson, Tommy Roberts and Ron Sanford. Councilmember Raymond Pruitt arrived at 6:40 p.m. Councilmember Beverly Hutcherson was absent.

Discussion and action were as follows:

CALL TO ORDER AND ANNOUNCE QUORUM - Mayor Hilliard called the meeting to order at 6:32 p.m. and declared that a quorum was present.

MAYOR'S WELCOME given by Mayor Hilliard.

INVOCATION given by Jim Stephens.

PLEDGE OF ALLEGIANCE led by Mayor Hilliard.

GUEST ITEMS – Melody Faro made a presentation to the Council which included a statement on the lack of weekend and summer activities for our community's youth other than the two sponsored events in the civic center; statistics on teen pregnancy and alcohol and drug abuse; and photographs of the First Monday Park and the City Parks which she said point out the disparity of funding for First Monday guests versus its citizens. Ms. Faro requested the City make its youth a priority, and to provide them with a YMCA or a community center offering youth programs.

Stephanie Mosier requested the Council consider changes that encourage today's youth to remain and raise families in Canton; to build a community center or allow the youth to use the civic